DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

SECOND SESSION—SEVENTEENTH PARLIAMENT

21-22 GEORGE V, 1931

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OTTAWA
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1931

HOUSE OF COMMONS

DEBATES

OF THE

OFFICIAL REPORT

OF

DOMINION OF CANADA

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, April 30, 1931

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

NEW WESTMINSTER PENITENTIARY—INMATES

Mr. REID:

1. How many persons were confined as inmates of the penitentiary at New Westminster, British Columbia, for the fiscal years 1926, 1927, 1928, 1929 and 1930?

2. How many persons of Japanese origin were confined as inmates in the New Westminster penitentiary, British Columbia, for the fiscal years 1926, 1927, 1928, 1929 and 1930?

3. How many persons of Chinese origin or race were confined as inmates in the said penitentiary, for the years 1926, 1927, 1928, 1929 and 1930?

4. How many persons of Japanese or Chinese origin or race have been deported from the New Westminster penitentiary during the years 1926, 1927, 1928, 1929 and 1930?

Mr. GUTHRIE:

1. 1926-27, 242; 1927-28, 292; 1928-29, 298; 1929-30, 334; 1930-31, 388.

2. 1926-27, 1; 1927-28, 2; 1928-29, 2; 1929-30, 2; 1930-31, 1.

3. 1926-27, 29; 1927-28, 42; 1928-29, 55; 1929-30, 69; 1930-31, 72.

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CENSUS COMMISSIONER—ST. JACQUES

Mr. RINFRET:

1. Who was appointed census commissioner for St. Jacques division?

2. What is his address, present occupation, and salary paid?

3. How was this appointment made, and on whose recommendation?

4. What are the names, addresses and occupations of the persons named as census enumerators for the said division of St. Jacques?

Mr. STEVENS:

1. Mr. J. A. Masse.

2. Address is 1082 Beaudry st., Montreal; present occupation is that of real estate and insurance agent; salary as follows:

An allowance of $175 to cover organization expenses and for viseing of the returns made by the enumerators; checking them and forwarding to Ottawa; verification of enumerators' accounts and the general supervision of the census within the district over which he is appointed as commissioner the following rates are provided:—1 cent for each name on the "Population" schedule; 3 cents for each "Agricultural" schedule; 1 cent for each entry on the "Animal and Animal Products, not on Farm" schedule; 1 cent for each record of blind and deaf persons; 1 cent for each record of merchandising and service establishments.

3. Appointed by the hon. the Minister of Trade and Commerce.

4. No appointments have been made as yet.

SOLDIERS' ADVISER—TORONTO

Mr. GRAY:

1. Has Mr. A. Conroy, formerly official soldiers' adviser for the district of Toronto, been dismissed from his position in the Department of Pensions and National Health?

2. Is the government aware that Mr. Conroy was employed for over thirteen years by the departments of Soldiers' Civil Reestablishment and of Pensions and National Health?

3. Is the department aware that Mr. Conroy himself and two of his sons served in the late war?

Mr. MacLAREN:

1. No. The position of official soldiers' adviser was abolished as a result of the amendments to the Pension Act, 1930.

2. No. Date of appointment as official soldiers' adviser was 19th October, 1923.

3. As regards Mr. Conroy, yes. No information respecting sons.

CENSUS COMMISSIONER—BONAVENTURE

Mr. MARCIL:

1. Who was appointed census commissioner for the electoral division of Bonaventure?

2. By whom was he recommended?

22150

3. What salary is he paid?
4. What persons were appointed by him as census enumerators in each parish of said county?

Mr. STEVENS:

1. Mr. George M. Kempffer of New Carlisle, Quebec.
2. Appointed by the hon. the Minister of Trade and Commerce.
3. An allowance of $600 to cover organization expenses and for viseing of the returns made by the enumerators; checking them and forwarding to Ottawa; verification of enumerators' accounts and the general supervision of the census within the district over which he is appointed as commissioner the following rates are provided:—1 cent for each name on the "Population" schedule; 3 cents for each "Agricultural schedule; 1 cent for each entry on the "Animal and Animal Products, not on Farm" schedule; 1 cent for each record of merchandising and service establishments; 1 cent for each record of blind and deaf persons.
4. Enumerators have not yet been appointed.

INTERIOR DEPARTMENT—REINSTATEMENT OF FORMER EMPLOYEES

Mr. CHEVRIER:

1. How many employees, after having been retired from the public service in the present process of staff reductions in the Department of the Interior, were subsequently taken back to their former positions?
2. In what branches of the Department of the Interior did the above take place and on how many occasions in each of the affected branches?
3. What was the reason, in each case, for (a) letting them out; (b) for taking them back?

Mr. MURPHY:

1. None.
2. and 3. Answered by No. 1.

TRENT CANAL—JOHN M. ALLEN

Mr. BOUCHARD:

1. How long was John M. Allen employed as painter and labourer on the Trent canal, Peterborough?
2. Is he an ex-service man with five war decorations?
3. Was he dismissed from his position on the Trent canal on February 2, 1931?
4. Was he replaced by a man who had no military service?
5. If so, what was this man's name?

Mr. MANION:

1. From season to season since June, 1921.
2. Ex-service man; no information as to decorations.

[Mr. Marcil.]

3. Not reengaged for current season of navigation because of previous unsatisfactory service.
4. No.
5. Answered by No. 4.

CENSUS ENUMERATORS—PREFERENCE TO RETURNED MEN

Mr. McKENZIE (Assiniboia):

1. Are returend men given the preference in the appointments to be made of census enumerators?
2. Has preference been given to returned men in appointments of census commissioners?
3. Have the commissioners the full power of acceptance or refusal of applications for positions as enumerators?
4. What instructions have been issued by the department to commissioners regarding the selection of enumerators?
5. Are applicants refused engagements on account of their political affiliations?
6. What are the names of the census commissioners appointed who were defeated candidates in the election of July 28th, and the constituencies for which they are appointed?

Mr. STEVENS:

1. Yes. A special instruction to census commissioners reads: "The minister desires that in appointing enumerators, consideration should be given returned soldiers wherever possible."
2. Yes.
3. Appointments are made by the hon. Minister of Trade and Commerce.
4. The more important and specific instructions issued in this connection to census commissioners are as follows:—

Appointment of enumerators.—After proper enumeration sub-districts have been established and approved by the Bureau of Statistics it will be your duty to select a suitable person in each sub-district to perform the actual work of enumeration. This is a very important duty and you must exercise the greatest possible care to secure competent persons. Your own success as commissioner and the success and value of the census as a whole are absolutely dependent upon the thoroughness, accuracy and promptness with which the enumerators perform their duties. The Book of Instructions clearly sets forth the duties and qualifications of the enumerators, while the specimen schedules of population and agriculture and the examination papers relating thereto should enable you to select only such persons as have the capacity for efficient service. You are particularly enjoined to reject all applicants who are unable to pass the examination test satisfactorily and in such cases you are authorized to immediately fill the vacancy. It will be a mark of your fitness for the posi-

tion to which you have been appointed to make your selection in the first instance in such a way that the numbers of those who will be unable to pass the test will be as small as possible.

Residence of enumerators.—To ensure the best results each enumerator appointed should, as far as practicable, be an actual resident of the sub-division within which his duties are to be performed. This ensures familiarity with the territory and the general character of the people residing in the district he is to canvass. Only in cases where a competent resident of an enumeration area cannot be found should a selection be made of a person living elsewhere. An enumerator should be thoroughly familiar with the boundaries of the various units which are contained within the area assigned to him.

Qualifications of enumerators.—The enumerators should be active, energetic persons of good address, as outlined in Section 35 of the Book of Instructions.

The following classes of persons are suggested as likely to make good enumerators, and they are specially recommended to your favourable consideration:—(a) In rural districts, crop correspondents of the Dominion Bureau of Statistics; (b) School teachers when available and able to give their time to the work; (c) Officers and leading workers in farmers' organizations, live stock associations, co-operative creameries, etc.; progressive farmers and their sons and daughters; and especially young men or women who have attended agricultural colleges or agricultural experimental stations.

It is further suggested that, in certain sections, women would make excellent appointments as census enumerators owing to the fact that in many instances the information must be obtained from the female head of the house. In the last census several women acted as enumerators and gave excellent results.

Enumerators must give their entire time to census work.—It is absolutely essential that applicants for the position of enumerator should understand that their whole working time will be required during the period of enumeration. It will be impossible for an enumerator to complete his district in the allotted time if he undertakes to carry on at the same time any work or business.

5. No.

6. Joseph T. Beaudoin, commissioner for Megantic, resides at Thetford Mines, Que.; J. L. Jacob, commissioner for Beauce, resides at St. Sebastien, Que.; Ulric Simard, commissioner for Hochelaga, resides at 2036 Darling, Montreal, Que.; Peter H. Campbell, commissioner for Middlessex West, resides at R. R. No. 3, Kerwood, Ont.; Alex. Marion, commissioner for Russell, resides at Rockland, Ont.; Milton E. Maybee, commissioner for Northumberland, resides at R.R. No. 6, Trenton, Ont.; Ed. A. Mooney, commissioner for Prescott, resides at Vankleek Hill, Ont.; John L. Stansell, commissioner for Norfolk-Elgin, resides at Straffordville, Ont.; J. E. Woods, commissioner for Macdonald, resides at Somerset, Man.

MONTMAGNY—PROTECTION WALLS

Mr. FAFARD:

1. Who was foreman in charge of construction work on the protection walls at Montmagny in the month of July, 1930?
2. By whom was he appointed?
3. Was he replaced after the election of July, 1930?
4. If so, why, and by whom was his substitute appointed?
5. If the appointment was made by the Civil Service Commission was the matter proceeded with in the same manner as for the appointment of his predecessor?
6. Why was not the eligible list set up before the month of July, 1930, followed?

Mr. STEWART (Leeds):

1. Mr. J. Elzear Boulanger (inspector of construction).

2. Civil Service Commission.

3. Yes.

4. (a) On representations of Mr. A. LaVergne, M.P., that he should be dismissed for political partisanship; (b) Department of Public Works.

5. Answered by No. 4.

6. Temporary employment for a period not extending beyond thirty days made by the department.

GROSSE ISLE—FOREMAN OF WORKS

Mr. FAFARD:

1. Who was foreman or overseer of the works for the Department of Public Works at Grosse Isle in the month of July, 1930?
2. By whom was he appointed?
3. Was he replaced after the election of July, 1930, and if so, why?
4. By whom was his substitute appointed?
5. If appointed by the Civil Service Commission was the matter proceeded with in the same manner as for the appointment of the former foreman or overseer?
6. If not, why was not the eligible list set up before the month of July, 1930, followed?

Mr. STEWART (Leeds):

1. Mr. J. Marius Bernatchez (inspector of construction).

2. Civil Service Commission.

3. (a) Yes; (b) on representation of Mr. A. LaVergne, M.P., that he should be dismissed for political partisanship.

4. Department of Public Works.

5. Answered by No. 4.

6. Temporary employment for a period not extending beyond thirty days made by the department.

GLEICHEN INDIAN RESERVE—BUILDING INSPECTOR

Mr. GARLAND (Bow River):

1. Was one known as Mr. "Si" Milliken appointed inspector of buildings on the Blackfoot Indian reserve at Gleichen, Alberta?

2. By whom was this position held previous to Mr. Milliken's appointment?

3. What salary is paid to Mr. Milliken?

Mr. MURPHY:

1. Yes.

2. The position was not previously held by anyone.

3. Mr. Milliken was paid at the rate of $6 per day.

CIVIL SERVICE—ATTENDANCE AT MEETINGS

Mr. SEGUIN:

Is it contrary to article 55 of the civil service law for an employee of the federal government to attend: (a) a non-contradictory meeting of a candidate at a provincial election; (b) a banquet offered to celebrate the nomination of a legislative counsellor by a provincial government?

Mr. BENNETT: We are advised that this is rather a difficult question to which to give a definite answer. It asks for information as to the interpretation of the law, which is a somewhat difficult thing to do. This matter must be determined in each particular case and I think the question is improper in its present form.

Mr. LAPOINTE: The remarks of my right hon. friend might serve as an answer to the question.

Mr. JACOBS: I suppose good taste should prevail in this as in many other cases.

Mr. SPEAKER: This question being improper, it will be dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

VANCOUVER HARBOUR COMMISSION—PURCHASE OF LOCOMOTIVE

Mr. MACKENZIE (Vancouver Centre):

1. Did the present Vancouver harbour commissioners purchase a locomotive for use on the north shore of Burrard inlet?

2. If so, from whom was this locomotive purchased?

3. What was the purchase price?

4. Where was it purchased?

5. Was it purchased directly or through an agent?

6. Was it necessary to repair the purchased locomotive?

7. If so, by whom was it repaired?

8. What was the tender or contract price for such repairs?

VANCOUVER HARBOUR COMMISSION—PURCHASE OF FIRE BOAT

Mr. MACKENZIE (Vancouver Centre):

1. Did the present Vancouver board of harbour commissioners purchase a boat for use as a fire boat?

2. If so, from whom was this boat purchased, and what was the purchase price?

3. Was it necessary to effect any repairs on this boat?

4. Is this boat now available for fire protection?

5. What is the price of the repairs?

LAPOINTE PIER—VANCOUVER

Mr. MACKENZIE (Vancouver Centre):

1. Is the work on the Lapointe pier, Vancouver, continuing?

2. Is this work carried out at a cost plus basis, or at a fixed price per yard?

3. Who is carrying on the work?

4. What is the estimated cost of the work when completed?

QUEBEC HARBOUR COMMISSION—MR. LEOPOLD POULIOT

Mr. POWER:

1. Is one Mr. Leopold Pouliot in the employ of the Quebec harbour commission?

2. If so, what is the nature of his work?

3. What is his salary?

4. What are his working hours?

5. Is this Mr. Pouliot the same as the one acting as president of the Young Men's Conservative Association of Quebec-West?

QUEBEC HARBOUR COMMISSION—MR. TANCREDE FISET

Mr. POWER:

1. Is one Mr. Tancrede Fiset employed by the Quebec harbour commission?

2. If so, is he employed as physician?

3. What are his working hours?

4. What is his salary?

5. On whose recommendation did he obtain this position?

RAILWAY COMMISSION

AMENDMENT OF JUDGES ACT TO PROVIDE ANNUITIES FOR CHIEF AND ASSISTANT CHIEF COMMISSIONERS

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee to-morrow to consider the following proposed resolution:

That the Judges Act be amended to provide for an annuity to any judge of a superior court

of Canada who is or has been, since 1st January, 1931, appointed chief commissioner or assistant chief commissioner of the Board of Railway Commissioners for Canada.

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

Motion agreed to.

PEACE RIVER OUTLET

On the orders of the day:

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I would like to ask the hon. Minister of Railways and Canals (Mr. Manion) if he expects in the near future to table the report on the surveys made by the Canadian Pacific Railway in connection with a possible route from the Peace River district.

Hon. R. J. MANION (Minister of Railways and Canals): For the information of the hon. member and the house I may say that Mr. Beatty, the president of the Canadian Pacific Railway, did a few days ago give me the report of their investigations into the Peace River outlet, upon which they spent a great deal of money. The report is in typewritten form, and has not yet been printed. We have not yet really had time to go into it, but I think probably a little later the government will decide to get it printed and tabled; but that has still to be considered.

CANADIAN PACIFIC RAILWAY

REDUCTION IN WORKING TIME AND WAGES OF EMPLOYEES OF GENERAL OFFICE STAFF

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): By the morning's paper I notice that the Canadian Pacific Railway has given its general office employees a lay-off equivalent to a 10 per cent reduction in wages. As this corporation is a semi-public utility I should like to ask what the government policy is with regard to this reduction in wages.

Mr. SPEAKER: I must rule the question out of order.

PRIVILEGE—MR. REID

On the orders of the day:

Mr. THOMAS REID (New Westminster): I rise to a question of privilege. On Friday of last week I was quoted as speaking as a lawyer, and in to-day's papers I am quoted as a Conservative.

Some hon. MEMBERS: Oh, oh.

Mr. REID: This is a serious matter, Mr. Speaker, and I must draw the line somewhere.

OLD AGE PENSIONS

On the orders of the day:

Hon. PETER HEENAN (Kenora-Rainy River): I should like to inquire from the government when we may expect the legislation to be brought down with respect to old age pensions.

Right Hon. R. B. BENNETT (Prime Minister): The information will be available when His Excellency the Governor General gives his consent to the legislation being introduced.

CANADIAN HIGH COMMISSIONER

REPORT OF SPEECH DELIVERED BY HON. MR. FERGUSON AT LEEDS, ENGLAND

On the orders of the day:

Mr. S. W. JACOBS (Cartier): I would ask the Prime Minister if it is the intention of the government to verify the report of a speech made by Canada's High Commissioner, the Hon. G. Howard Ferguson, at Leeds, Yorkshire, as reported by the Canadian Press on April 28. It appears in the Ottawa Journal under the heading of "Ferguson points to U.S. Influence." In the body of the report occurs this passage:

> What was happening at present was that out of $4,500,000,000 invested in Canada from outside sources, $3,500,000,000 was American capital and barely $1,000,000,000 from this country.

Then follows the paragraph which I wish particularly to draw to the attention of the Prime Minister:

> Think of the insidious influence in that connection with its introduction of American executives, American methods and contacts.

I should like to ascertain from the Prime Minister if he thinks this is of sufficient importance to verify the accuracy of the report, and if he finds it is accurate, will some attempt be made to cramp the style of Canada's High Commissioner?

Right Hon. R. B. BENNETT (Prime Minister): The hon. gentleman might, Mr. Speaker, under ordinary circumstances have given the government notice of his intention to ask such a serious question as that involved in the latter part of his inquiry. As to the first part, the government will make inquiries as to the accuracy of the report. As to the second, the government will do what it thinks best in the public interest.

ST. PIERRE AND MIQUELON

INQUIRY AS TO REPORTED ACQUISITION OF ISLANDS BY UNITED STATES

On the orders of the day:

Mr. O. L. BOULANGER (Bellechasse): I wish to ask a question of the Prime Minister based upon press reports to the effect that the French islands of St. Pierre and Miquelon in the gulf of the St. Lawrence might be acquired by the United States. I should like to ask if this is true, and whether the government of Canada is prepared to take steps to acquire these islands for Canada if they are for sale.

Mr. POWER: In the interests of our distillers.

Right Hon. R. B. BENNETT (Prime Minister): The government of Canada has no knowledge of the matter to which the hon. gentleman has directed attention. Doubtless he is aware that under the treaty by which these islands were relinquished to France there are provisions as to the uses to which they may be put and as to the buildings which may be erected thereon. The intentions of governments cannot be disclosed in this way. I have not heard of any offers of these islands being made, and consequently there has been no consideration of any proposals to purchase them either for this country or for the interests mentioned by the hon. gentleman from Quebec South (Mr. Power).

RAILWAY COMMISSION

On the orders of the day:

Mr. OLOF HANSON (Skeena): May I ask the Minister of Railways and Canals (Mr. Manion) when the newly appointed chairman of the Board of Railway Commissioners will take over his duties?

Hon. R. J. MANION (Minister of Railways and Canals): I do not think he has been appointed yet, but as soon as he is appointed I expect he will take over his duties.

ROYAL CANADIAN MOUNTED POLICE

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 29, to amend the Royal Canadian Mounted Police Act.

Mr. LAPOINTE: Explain.

Mr. GUTHRIE: I thought I might explain it in committee. I did explain it briefly on the resolution.

Mr. LAPOINTE: Was there a resolution preceding this bill?

[Mr. Bennett.]

Mr. GUTHRIE: Yes. I can give the explanation now just as well. In the year 1928 an agreement was come to between the province of Saskatchewan and the Dominion government under the terms of which police work in the province of Saskatchewan was taken over by the Royal Canadian Mounted Police, and at the same time certain portions of the provincial police force were incorporated in the Royal Canadian Mounted Police. When the agreement was completed and executed on the 22nd of March, 1928—I may say that the agreement appears in full in the report of the Royal Canadian Mounted Police for the year 1928—there was one clause outstanding as to which sufficient data had not then been received to make the document complete. That clause related to the pensions of those men of the provincial police force who were being absorbed by the Royal Canadian Mounted Police. That clause is as follows:

15. (a) Arrangements will be worked out whereby men taken from the Saskatchewan provincial police under this arrangement and included within the Royal Canadian Mounted Police shall be entitled to the pension benefits now received by members of the Royal Canadian Mounted Police and such men shall be entitled to credit for all service performed prior to the first of June, 1928, in either the Royal Canadian Mounted Police or the Saskatchewan provincial police, and the government of Saskatchewan shall contribute to the Dominion government such reasonable sum as shall be necessary towards the Dominion government pension fund to enable such men to get the benefit in computing their pension for the number of years served with the Saskatchewan provincial police.

The names of those entitled to pension have now been definitely settled. They comprise four officers and fifty-five non-commissioned officers and men formerly in the provincial force and now in the Royal Canadian Mounted Police force. In respect of these men a subsequent agreement has been made and executed by the authorities of the province of Saskatchewan and by the Department of Justice to provide in accordance with the preliminary agreement for the absorption of these provincial police upon the same terms in regard to pension as is provided in the Royal Canadian Mounted Police pension scheme. The province of Saskatchewan bears its pro rata cost of the expense. This act is merely to authorize the taking over of these men for the purpose of pension.

Hon. ERNEST LAPOINTE (Quebec East): I did not rise to oppose the bill, but I might point out that my hon. friend spoke of having explained this bill when the resolution was before the house. I would remind him that the bill was not preceded by a resolution, but was read on April 17 for the first time.

Mr. GUTHRIE: My. hon. friend may be right; I thought it had been preceded by a resolution.

Mr. LAPOINTE: I believe this bill is of such a nature that it should have been preceded by a resolution because, in effect, it involves the expenditure of money out of the public treasury. The purpose of the bill is to extend to certain men provisions for pension which do not apply to them under the present law. In my view it is certainly in the nature of a money bill.

Mr. GUTHRIE: My recollection was that the matter had been brought to the attention of the house by resolution. However, I may be wrong in that assumption. The main object of the bill is to provide that the Dominion government shall be recouped by the province of Saskatchewan for the amount which the federal government will pay out under the former agreement made in the year 1928.

Mr. LAPOINTE: Yes, but we have to pay out first.

Mr. GUTHRIE: We accepted the obligation in 1928 under the agreement of that date. At that time, however, the figures were not worked out. Now we know definitely that the proposal affects four officers and fifty-five men, and this bill providing for the payment by the province of Saskatchewan to the Dominion of Canada is necessary to provide for the pensions of these men under the pension scheme of the Royal Canadian Mounted Police.

On looking up the record I find that the bill was not introduced by resolution; I now recollect the occurrence. However, if objection is taken—

Mr. LAPOINTE: No, I just wanted to draw the attention of the minister to that fact; I do not press the objection.

Mr. GUTHRIE: The objection is of a purely technical nature, but if it is not pressed I would prefer to proceed in the present manner.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Hanson (York-Sunbury) in the chair.

On section 1—Arrangements with local governments.

Mr. STEWART (Edmonton): May I ask if this bill has reference merely to the service rendered prior to the transfer of these men from the provincial force to the Royal Canadian Mounted Police and whether that is the only portion of their service for which there will be responsibility for gratuity?

Mr. GUTHRIE: Yes.

Mr. STEWART (Edmonton): And it will be paid by the provincial government?

Mr. GUTHRIE: Yes.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time, and passed.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

Public Works—Quebec, $1,076,900.

Hon. H. A. STEWART (Minister of Public Works): When the committee arose I was asked to provide certain information, and item number 185 was left open for that purpose, following the requests of the hon. member for Antigonish-Guysborough (Mr. Duff) and the hon. member for Gloucester (Mr. Veniot). I was asked for certain information as to expenditures and appropriations on buildings and I am now prepared to give that information.

Mr. VENIOT: I agree that when the item was up I did request that it be allowed to stand, in case I would have something to ask in connection with it. I am perfectly satisfied now, however, that the item as it appears is correct.

Mr. STEWART (Leeds): I shall give the information requested by the hon. member.

Mr. DUFF: Has my hon. friend a copy of the information from which he is about to read? It will be impossible for me to follow it, I am afraid, if I have not that information before me.

Mr. STEWART (Leeds): I will see if I have another copy; at any rate, I shall see that as soon as possible my hon. friend receives a copy.

Mr. DUFF: I would like to have it immediately.

Mr. STEWART (Leeds): My hon. friend will have an opportunity to discuss the information I shall give him when we reach some other item.

Mr. DUFF: But I prefer to discuss it now.

Mr. STEWART (Leeds): Very well, I shall try to supply the hon. gentleman with a copy immediately. I wish to place before the committee the information contained in the following statement:

Appropriations and Expenditures, 1930-31
Capital—Public buildings

Vote No. 180—	
Appropriation	$ 2,927,830 00
Expenditures	2,755,643 47

Income—Public buildings

Vote 182, Nova Scotia—	
Appropriation	$ 302,000 00
Expenditure	126,927 06
Vote 183, New Brunswick—	
Appropriation	$ 81,125 00
Expenditures	50,297 30
Vote 184, Maritime provinces generally—	
Appropriation	$ 55,500 00
Expenditures	55,498 84
Vote 185, Quebec—	
Appropriation	$ 1,509,695 00
Expenditures	561,525 76
Vote 186, Ontario—	
Appropriation	$ 2,616,323 95
Expenditures	2,283,361 92
Vote 187, Manitoba—	
Appropriation	$ 382,600 00
Expenditures	243,799 35
Vote 188, Saskatchewan—	
Appropriation	$ 1,010,500 00
Expenditures	837,897 46
Vote 189, Alberta—	
Appropriation	$ 1,676,000 00
Expenditures	1,588,036 99
Vote 190, British Columbia—	
Appropriation	$ 203,300 00
Expenditures	180,041 87
Vote 191, Generally—	
Appropriation	$ 567,500 00
Expenditures	523,387 12
Vote 192, Rents, repairs, etc.—	
Appropriation	$ 6,403,750 00
Expenditure	6,310,957 82

Mr. HEAPS: Mr. Chairman, there is one matter arising out of the information which the minister has just given that I should like to bring to the attention of the committee. It appears that there are very large reductions throughout these votes as compared with the expenditures in previous years. This means that the work to be undertaken by the various departments of the government during the ensuing fiscal year will be very much less than in former years, which in turn means that the unemployed problem will be still further aggravated, that is, the men formely employed on government work will not have an opportunity of obtaining work during the coming months. In view of these very substantial reductions I would suggest that the government undertake an extensive program of public works that might in some way help the very acute unemployment situation now existing throughout the Dominion. As instances of these greatly reduced expenditures, I may point out that last year the vote for public buildings in Manitoba was $382,600, while this year it is only $81,700—less than one quarter of last year's vote. And so on all down the line, less is to be spent this year, which means that the unemployment situation is going to be made worse by the action of the government; that is, the greater the economy practised on government expenditures, the more people are going to be thrown out of employment. Can the minister furnish any information as to the expenditures on public works for the ensuing year on capital account which might assist instead of aggravating the unemployment situation?

[Mr. Duff.]

Mr. STEWART (Leeds): Mr. Chairman, in reply to the hon. gentleman, I can only say that the program of expenditures, either on capital or income account, is fully disclosed in these estimates. The total capital expenditure proposed for this fiscal year, is $3,387,000, as shown on page 30, the details of which are there given. As to money voted last year not having been expended, it may interest the committee to know that the expenditures on public works last year were the largest in our history. These are the figures:

Total Expenditures

1930-31	$32,758,065
1929-30	25,206,558
1928-29	20,680,902
1927-28	17,309,702
1926-27	13,750,952

Hon. members will observe that the program last year was a very heavy one indeed. In addition to those expenditures, it must be borne in mind that $20,000,000 was expended for unemployment relief. This amount added to the other figures that I have given, shows a grand total for last year of $52,000,000, which is very much in excess of the total expenditure in any previous year.

Sir EUGENE FISET: I think if the minister would give the committee the amount not expended his statement would be better understood.

Mr. STEWART (Leeds): I am giving the actual expenditures, which is the information I thought was asked for.

Sir EUGENE FISET: The minister is giving the actual amount provided for in the estimates last year, $32,000,000.

Mr. STEWART (Leeds): I am sorry that I have not made myself clear to my hon. friend. I should perhaps have given the amount appropriated and then stated the expenditure. The total amount appropriated was $38,074,727.

Sir EUGENE FISET: On capital account?

Mr. STEWART (Leeds): Both capital and revenue. The amount actually expended, as I have said, was $32,758,065. For the previous year the appropriation was $30,522,389, but only $25,206,558 was actually expended. It will be observed that in every year the amount actually expended is considerably less than the appropriation.

Sir EUGENE FISET: If I understand the minister well—

Mr. STEWART (Leeds): Just a moment. For 1928-29 the appropriation was $27,038,409, but only $20,680,902 was expended—a larger amount unexpended in that year of expanding revenue than was expended last year when the revenue was shrinking.

Sir EUGENE FISET: What I should like to ascertain from the minister is this: There was provided in the estimates last year a total amount of $38,000,000 or $39,000,000, out of which only $32,000,000 was spent. Is it a fair question to ask the minister if these credits that have not been expended should be treated as a deduction from the $20,000,000 that was voted last session for unemployment?

Mr. STEWART (Leeds): I do not find any relation between these two items. I have considered the matter and discussed it from every angle, and I think when I remind the hon. gentleman that in previous years there were similar and larger amounts unexpended when there was no unemployment relief, that ought to be pretty conclusive evidence that there is no relation between the two matters.

Sir EUGENE FISET: There is this relation: If the government had gone on with the expenditure of money voted by parliament there would have been $6,000,000 less expended on unemployment throughout Canada.

The CHAIRMAN (Mr. Hanson, York-Sunbury): This discussion is out of order, and I am going to call item No. 186. Item 185 has been passed and there is nothing before the chair.

Sir EUGENE FISET: I should like to direct your attention to the fact that the minister himself started the discussion on Item 185.

Mr. GIROUARD: I understand the minister kindly allowed item 185 to stand until to-day.

The CHAIRMAN (Mr. Hanson, York-Sunbury): This discussion has gone far enough and I am going to rule it out of order. I now call item 186:

Ontario

Belleville public building—addition to site, $20.000.

Belleville public building—improvements to heating, $1,100.

Brockville—public building—alterations and improvements, $12,000.

Copper Cliff—public building—under contract, $26,000.

Dominion public buildings—improvements, repairs, etc., $125,000.

Fort Frances—public building, $1,500.

Fort William—public building, $50,000.

Gore Bay—public building—under contract, $4.000.

Guelph—public building, $50,000.

Hawkesbury—public building—alterations to fittings, $1,500.

Keewatin—public building—under contract, $8,000.

Leamington public building—improvements to heating, $1,200.

New Liskeard—public building, $61,000.

North Bay public building—improvements, $1,100.

Orillia public building—alterations, improvements, etc., $5,000.

Parry Sound—public building, $25,000.

Penetanguishene—public building, $57,000.

Perth—public building, $25,000.

Port Arthur public building—addition and alteratioins—under contract, $5,000.

Port Credit—public building—under contract, $40,000.

Stratford public building—addition, $41,000.

Sturgeon Falls—public building—under contract, $5,500.

Sydenham—public building—under contract, $4,000.

Thorold—site for public building, $4,000.

Toronto — customs house — under contract, $670,000.

Toronto — postal station "A" — mechanical equipment, improvements, etc.—under contract, $33.500.

Welland public building — alterations to fittings, $2,000.

Windsor — combined public building and C.N.R. terminal, $100,000.—Total, $1,379,400.

Mr. GIROUARD: I understand item 185 was passed on the understanding that we would be able to return to it to-day. I ask the minister now if that was not the understanding.

Mr. STEWART (Leeds): Item 185 stood for the purpose I have stated.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Item 185 has been reported by the committee and so appears in the votes and proceedings, but there was opportunity left to make an explanation, which the minister has made. The next item is 186, which is now before the chair.

Mr. STEWART (Edmonton): I should like to direct attention to the fact, Mr. Chairman, that you are now following an arbitrary rule that always has been ignored in the past, and I should like to suggest also for your consideration that if such rules are to be followed by the chairman you will not make a very great amount of progress.

Mr. STEWART (Leeds): Allow me to make a statement, Mr. Chairman. Item 185 was left open with the distinct understanding that

the hon. member for Gloucester wished to discuss something in connection with the Montreal postal terminal. I have not any objection to giving any information on any of these other matters if any hon. gentleman desires it.

Mr. DUFF: I think the Minister of Public Works is not perhaps quite right in his statement. Item 185 was passed and reported with the distinct understanding, I think, at the request of the hon. member for Quebec South and the hon. member for Gloucester, that when another item was called they could discuss if necessary certain items with regard to Quebec public buildings. Consequently if any member of the house now desires to discuss any question with regard to Quebec it can be done under another item. You are quite right, Mr. Chairman, in calling the next item.

The CHAIRMAN (Mr. Hanson, York-Sunbury): That is the idea of calling item 186—to regularize the discussion.

Mr. GIROUARD: I thank you for your decision, Mr. Chairman. Will the minister give me some information in connection with the appropriation of $14,500 in connection with the Victoriaville post offiffce?

Mr. STEWART (Leeds): That item is for the finishing of the new building at Victoriaville.

Mr. GIROUARD: Does this amount of $14,500 only provide for the building itself or does it provide also for the furniture and fixtures?

Mr. STEWART (Leeds): This amount of $14,500 is required to complete the erection of the building, the construction of which is being performed by the Stewart Construction Company, Limited, under a contract price of $35,600, and to provide for the furniture as well.

Mr. GIROUARD: Were tenders called for the furniture and fixtures?

Mr. STEWART (Leeds): Yes.

Mr. GIROUARD: When?

Mr. STEWART (Leeds): For the fittings he tenders were as follows:

Gustave Mercure, Drummondville, $1,716.25 or one type of fitting and $1,887.87 for another type; The Canadian Office and School Furniture, Limited, Preston, $1,785 for one type; the Interior Hardwood Company, Limited, Kitchener, $2,175 for one type and $2,175 for another; the Office Specialty Manufacturing Company, Limited, Ottawa, $2,819 for one type and $3,100 for another; Renfrew Wood Products Company, Limited, Montreal, $2,836 for one type and $2,550 for another; H. E. Bourassa, Limited, Montreal, $3,886.90 for one type and $3,691.90 for another.

Mr. GIROUARD: Would the minister tell me if these tenders were advertised, and if so where they were advertised?

Mr. STEWART (Leeds): These tenders were advertised in the regular way.

Mr. GIROUARD: Where?

Mr. STEWART (Leeds): They were publicly advertised; that would be in the Canada Gazette and in the local papers in the vicinity where the work was being carried on.

Mr. GIROUARD: Is the minister aware that in Victoriaville, where the post office is being erected, no one was aware that tenders were being called, and that as a matter of fact no tenders were received from any persons in that city? All the tenders were from outside parties. Does not the minister believe it would have been more fair and just if tenders had been asked in Victoriaville itself?

Mr. STEWART (Leeds): I should be very much surprised indeed to learn that people in Victoriaville were not made aware of this tender. I am informed that a copy of the advertisement was sent to the hon. gentleman himself, and we have found in our experience that people specially interested in this kind of work generally get the contract. They are able to quote lower prices than local parties are able to quote. The regular procedure has been followed here; every opportunity has been given residents of Victoriaville to tender in this case.

Mr. GIROUARD: I believe the minister is under a wrong impression. I understood him to say that I had been sent a copy of the advertisement, and while I do not want to say that the minister has made an incorrect statement, I do not recall receiving such an advertisement. As a matter of fact, the minister will notice that among the tenders there was none from Victoriaville. Am I correct in that statement?

Mr. STEWART (Leeds): I accept the statement of the hon. gentleman that he did not receive a copy of the advertisement.

Mr. GIROUARD: I do not recall receiving it.

Mr. STEWART (Leeds): But I am assured that the usual routine of the office was followed, and part of that routine is to send every member a copy of such advertisements. As to the fact that no local tender was received, I do not know the reason for it all.

Mr. GIROUARD: Has a tender been accepted by the department?

Mr. STEWART (Leeds): Yes, and the contract awarded to the lowest tenderer, which is our rule.

Mr. HEAPS: What was the amount?

Mr. STEWART (Leeds): The amount was $1,716.25.

Mr. GIROUARD: Was that the tender of Mr. Mercure, of Drummondville?

Mr. STEWART (Leeds): Yes.

Mr. GIROUARD: I believe the minister will recognize that this state of affairs is not very satisfactory to the people of Victoriaville. Here is a building situated in a city with a population of almost 7,000 people. Tenders were called for but no advertisement was published in that city; the fact that tenders were being called for was not made known in any way to the people there. I am sure, therefore, that the people are perfectly justified in voicing a grievance. I think that the department should at least have advertised these tenders in Victoriaville. I have no objection to their having been advertised in the Canada Gazette; but as the minister will understand, that publication is not received by many people in Victoriaville. The fact that no one in that locality submitted tenders is a justification, in my opinion, of the position I am now taking. I submit that the minister should reconsider his acceptance of the successful tenders. He has a perfectly good reason for doing so. I urge upon him the re-opening of the matter and advertising in Victoriaville and Arthabaska. The people who should have known that tenders were being called for are the people living in Victoriaville, where the post office is situated, and I think the minister will recognize the soundness of this suggestion. I have no doubt he wishes to be fair to the people there, and he would be within his rights in cancelling the acceptance of an outside tender and having fresh tenders called for, so that the people of that place might have an opportunity of tendering.

Mr. STEWART (Leeds): The order in council was passed on March 30, awarding the contract to the lowest tender, and it would be impossible to cancel that contract now. It is not at all unusual to find local firms unsuccessful in securing these contracts; other firms seem to be specially equipped for this kind of work. I can assure my hon. friend, if it is any comfort to him, that regularly we find outside firms securing such contracts. I sympathize with him in his desire to have the people in his town get contracts, but it very seldom works out that way with respect to tenders.

Mr. GIROUARD: I am sure the minister wishes to be fair to everyone, and I think he will admit that my position is equally fair. There is a newspaper in Victoriaville, and three miles away, in Arthabaska, there is another newspaper published. Will the minister inform me whether these tenders were advertised in either of these newspapers.

Mr. STEWART (Leeds): I can only say in reply that this is purely a matter of routine in the office, of which I have no personal knowledge. I have not a list of the papers in which the advertisement appeared, but I will get that information and see that it is supplied.

Mr. GIROUARD: Thank you.

Mr. HEAPS: The question I have already raised is far more important than a local matter; it affects practically every part of the Dominion, particularly the urban centres. Personally I feel that during a period of depression more than at any other time public authorities should spend large amounts on public works. It appears on this occasion, however, that this is reversed, and the policy seems to be one of practising economy, which, as I have said before, means that more people will be thrown out of employment. The question of the money spent last summer has really no relation to the estimates which are now before us. I know that in many of our large centres, where there are large numbers of men out of work, there is need for public buildings, and those buildings ought to be put up. Now is the time for the government to undertake the erection of these public buildings. I am thinking now particularly of buildings in the city of Winnipeg. We shall presently come to the estimates for the province of Manitoba, but under this item I think the same question might well be discussed. In Winnipeg public buildings are overdue, and at the present time there are vast numbers of men out of work. The federal government would be setting a good example to other public bodies if at this time they undertook the erection of these buildings in order to provide work for these men who otherwise

may not be able to find any employment. In my opinion the policy of cutting down at this time is not right. Last year the former government undertook larger expenditures with a view to meeting the unemployment situation which then prevailed. Later on we had the special session of parliament when we passed further large appropriations to provide work. Now that we are in regular session, I should like to know whether the Minister of Public Works is in a position to inform the house whether the government has in contemplation a program of public works which will in some way take care of those who are unemployed at the present time.

Mr. STEWART (Leeds): The suggestions of my hon. friend will be carefully considered. It must be borne in mind, however, that it is impossible, in preparing the estimates of the Public Works department, to foresee where unemployment will be acute.

An hon. MEMBER: Not this year.

Mr. STEWART (Leeds): Oh, I don't know. And for that reason it is better, perhaps, to arrange for provision of funds to relieve unemployment where the funds are more fluid, where they can be expended to meet requirements as they develop. Unfortunately the consideration of public works by the Public Works department is rigidly limited to the particular estimate for a particular place; and, unfortunately also, it does not afford that measure of relief to a large number of unemployed that can be afforded by other works undertaken locally according to the emergency, as the municipality and the province approve, and in the prosecution of which they unite, thus very much increasing in this way the amount of money expended. As my hon. friend knows, the expenditure of the appropriation of twenty million dollars on the basis on which it was made last year resulted in a very much larger expenditure than that amount; whereas if we expend the money it is, as I have said, rigidly limited to the amount of the particular estimate and does not afford the relief which is sometimes so badly needed. However, my hon. friend's suggestion is very well worthy of consideration, and it will be carefully considered.

Mr. LAPOINTE: I desire to register my protest against the state of things revealed by the figures which the minister has given. I cannot understand the policy of the government in not spending the money which has been voted for public works in the province of Quebec. I am sorry that my colleagues in the house who represent the province of Quebec in the government are absent. I would call their attention particularly to this fact. In 1930 there was voted for public buildings in the province of Quebec the sum of $1,509,695, of which $561,525 was spent, leaving unexpended $948,170, or one-third of the money voted.

Mr. POWER: Two-thirds.

Mr. LAPOINTE: Yes, two-thirds. If there is added to the unexpended portion of the money voted for public buildings, the unexpended portion of the money voted for harbours and rivers, it will be found that it almost equals the total amount given to the province for the relief of unemployment. What kind of a policy is that? We were called to a special session of parliament to vote money to provide work for the people, but we find that the money which had been voted and which would have provided employment was left unexpended. I do not desire to draw a comparison but I find that in the case of the province of Ontario, so ably represented by the Minister of Public Works (Mr. Stewart) the amount voted for public works was $2,679,350. That amount was practically all spent and I do not understand why there should be a difference in the treatment meted out to these two provinces. Why was not the money voted for public buildings in the province of Quebec spent in order to assist in the relief of unemployment?

Mr. STEWART (Leeds): Mr. Chairman, I regret that my hon. friend has suggested that there has been discrimination in the expenditure of public moneys as between the two provinces. I can assure him that there was no intention to do anything of that kind.

Mr. LAPOINTE: Possibly.

Mr. STEWART (Leeds): I can tell my hon. friend of two items voted for the province of Quebec which would account for over $600,000 of the amount unexpended. One instance is the postal terminal for the city of Montreal, and if my hon. friend will go back to the year before I believe he will find that there was an item of $500,000 in the estimates for that building, which was unexpended. My recollection is that there was another item of $100,000 for an ordnance stores building in the city of Quebec which was not expended because the plans had not been completed, negotiations being still pending between the departments of National Defence and Public Works as to the location and type of building. Those two items call for over $600,000 and there are good reasons why the moneys were not spent.

Mr. LAPOINTE: Will that last item of $100,000 for an ordnance stores be expended?

Mr. STEWART (Leeds): I should have said that the $500,000 item for the city of Montreal is in this year.

Mr. LAPOINTE: What about the other one?

Mr. STEWART (Leeds): It is not in.

Sir EUGENE FISET: It has lapsed.

Mr. STEWART (Leeds): It lapsed last year and is not being revoted.

Sir EUGENE FISET: Mr. Chairman, I notice that you have been kind enough to allow other hon. members to discuss freely any item concerning the province of Quebec. Will the minister permit me to discuss a matter which I mentioned recently, that of the building for the Public Works engineers at Rimouski?

Mr. STEWART (Leeds): Certainly.

Sir EUGENE FISET: A few days ago I asked the hon. minister a question with regard to the size of this building, and he answered it was 37 feet by 25 feet. I asked him if the building was of frame construction, finished on the outside with clapboards and on the inside with tongue and grooved boards, painted, and he answered yes. I asked him the rental of the building and he replied it was the same as had been paid before. There is one thing which the minister had forgotten; the offices rented in the past formed part of one of the finest buildings in Rimouski. That building cost to erect, between $45,000 and $60,000 and in it are the offices of the Bank of Montreal and some of the finest offices of the town of Rimouski. The building now being rented is a match box, 37 feet by 25 feet, belonging to Mr. Asselin. For the minister's private information I would like to give him a little history in connection with this building. I wonder if he is aware that the chief engineer, Mr. Amyot, is the father-in-law of the proprietor of the building? I wonder if he is aware that the assistant engineer, Mr. Trudeau, is the son-in-law of Mr. Amyot and the brother-in-law of the proprietor of the building, Mr. Asselin? I wonder if he is aware that the vice president of the local committee on patronage, Mr. Simard, who came to Ottawa with the proprietor and the assistant engineer, is also the son-in-law of the chief engineer, Mr. Amyot, brother-in-law of the assistant engineer, Mr. Trudeau, and also brother-in-law of the proprietor of the building, Mr. Asselin? We have before us a conglomeration of in-laws which is pretty hard to understand, but it explains why the departmental engineers at Rimouski were so anxious to leave the best building in the town in order to occupy the flimsy fire trap they are occupying at the present time.

Before this building was rented by the department it was considered to be one of the poorest buildings in the town. It had been vacant for nearly three years but the moment the government changed the young generation, the young wolves who were extremely hungry, went to the chief engineer and proposed to him that he should advance sufficient money in order to enable the proprietor to convert his building into an office building to be rented by the engineer. Two floors and one fourth of the ground floor are being rented by the engineers, the remainder still being vacant. I would advise the minister to send someone with an unbiased mind to inspect this building in order to determine the true rental. I will guarantee that the proprietor of that building could not get $50 per month rental in the open market for the whole building. I will go further and say that $1,000 per year would be an outrageous rental to pay for that building.

An hon. MEMBER: What rental is being paid?

Sir EUGENE FISET: It is either $1,850 or $1,800, I am not sure.

Mr. STEWART (Leeds): It is $1,800.

Sir EUGENE FISET: Does the hon. minister know that the municipal assessment of the building at the present time is $2,800? Does the hon. minister know that his department is assigning $150 per month to the Banque Canadienne Nationale, which in ten months will cover the balance of the capital expended in remodelling this building. The utmost that would be paid for that building is $6,000. Does the minister therefore think that he is paying a reasonable rental for such a building? Let him bear in mind the family association that came to him here to induce him to take that building. It is nothing less than a scandal in the town of Rimouski, and I may tell the minister that at the present time his department is the laughing stock of our whole population.

Mr. STEWART (Leeds): I want to thank my hon. friend for the interesting information he has given me as to the relationships of these families in Rimouski.

Sir EUGENE FISET: I was decent enough to notify the minister in advance that I was going to discuss the matter.

Mr. STEWART (Leeds): I admit that, and I want to thank my hon. friend for the

interesting information he has given as to these relationships, but perhaps it is not necessary for me to remind him that I am not responsible for them.

Mr. POULIOT: You are not the ancestor.

Mr. STEWART (Leeds): I am rather inclined to think that these relationships in that vicinity have existed for some time. Perhaps they would be complete if these families could trace relationship to my hon. friend himself.

This lease was made in the regular way. I was not visited, nor importuned, nor asked, as far as I know, by any member of this interesting family to enter into this lease.

Sir EUGENE FISET: Your answer says that your engineer is the head of the family.

Mr. STEWART (Leeds): He recommended it as the engineer, in the regular way, and he is the one from whom in the ordinary course we would receive a report on the accommodation being provided. The former rental was the same as the present rental. Our reports show that the accommodation that is provided is superior to the accommodation that we enjoyed before.

Sir EUGENE FISET: Even as to the quality of the building.

Mr. STEWART (Leeds): Both as to space and in every other way it is superior accommodation. Not only is the space provided, but the lessor attends to all repairs during the currency of the lease, pays taxes and water rates, and provides heating, lighting, cleaning and toilet accommodations. All that is worth something and must be taken into consideration in addition to the actual value of the building.

Sir EUGENE FISET: Were not all these provided under the old lease?

Mr. STEWART (Leeds): Yes, but the point I am trying to make, and which I think my hon. friend will admit is a fair one, is that you must take something else into consideration besides the actual value of the building when all these services are provided.

Sir EUGENE FISET: They were all provided before.

Mr. STEWART (Leeds): And they are provided in this building. So I say you must take into consideration the value of the services as well as the actual value of the property. I would say to my hon. friend that I propose to inquire into this transaction and to investigate matters around Rimouski, and if I find that there have been any irregularities, that any official has been guilty of neglect of duty or has in any way imposed improperly upon the department, he will not be very long in his position.

Sir EUGENE FISET: I rise simply to thank the minister for his last statement. That is all I was asking. I want to deal fairly with him and his department.

Mr. POULIOT: Now that we are away from Rimouski, may we stop at Trois Pistoles for a moment?

Mr. STEWART (Leeds): Yes.

Mr. POULIOT: Thank you. The other day I asked the minister this question:

Is the minister aware that that very building has been condemned by the board of health?

The Minister replied:

This is the first intimation that I have received of anything of that nature.

I want to say just a few words about the post office at Trois Pistoles. The building was condemned by the board of health of the province of Quebec.

The CHAIRMAN (Mr. Hanson): This discussion is out of order, but will be quite in order under vote 191. I suggest that the hon. member defer his remarks until we reach that item; otherwise on this item we may be discussing buildings all over the province of Quebec.

Mr. POULIOT: I am ready to bow to your ruling, Mr. Chairman, but I would stress the fact that I asked for and received the minister's permission to speak. I wish to be very courteous to him because he is a friend of mine.

Mr. STEWART (Leeds): I have no objection to my hon. friend completing his discussion right here and now.

Mr. POULIOT: I thank the minister very much. Let me say at once that I do not wish to put the blame on him but on the people in my constituency who made the recommendations. The report of the board of health was sent to the Deputy Minister of Public Works on May 5, 1930, and the receipt of it acknowledged on the following day, as follows:

Dear Mr. Pouliot,—

I have yours of the 5th instant with enclosed copy of report in regard to existing conditions at the post office at Trois Pistoles, and in reply

may say that the representations made have been carefully noted in connection with the request at present under consideration by the department for a public building at this place.

Yours very truly,
(Signed) J. B. Hunter,
Deputy Minister.

I will quote a paragraph from the letter of the director of the board of health. I translate:

I entirely approve of the report, and I strongly recommend that the actual conditions should be remedied with the shortest possible delay.

I shall not take the time of the committee to read the whole report, but I will give the conclusions of the report made by Dr. B. Blaudet, medical officer at Riviere du Loup, and dated April 10, 1930:

Mr. Director,—

According to the attached plans and the figures given in this report, it is easy to see that the present post office in the town of Trois Pistoles is not at all satisfactory, and that the lodging of the postmaster should be more sanitary.

As for the changes to be made, I believe it is a matter that should be decided by the Minister of Public Works at Ottawa.

The rental for the post office was $360, as the minister may easily verify from his own files. The rental stood at that figure for several years until the new building was constructed.

On September 11, 1929, Mr. T. W. Fuller, chief architect, sent a report to Mr. Arthur Pouliot, Esq., clerk of works, at the custom house, Quebec. The report is headed "Re Post Office accommodation, Trois-Pistoles, P.Q.," and goes on to state that a copy of a resolution dated March 4, 1929, had been received from the secretary-treasurer of the municipal council of the town of Trois-Pistoles, stating that the council authorities—

are prepared to enlarge the town hall building and requesting that the department enter into a new ten-year lease for space for postal purposes at $800 per annum. (2) Letter of acknowledgment, dated April 3, 1929, requesting a plan showing the proposed enlargement and improvements estimated to cost $4,000 on which the increased rental would be based. (3) Letter, dated September 4, 1929, from the secretary-treasurer of the town of Trois-Pistoles, enclosing plans and specifications of the proposed changes.

I have only this to say that the town of Trois-Pistoles was at that time ready to make those improvement if the rent was increased from $360 to $800. According to information the hon. gentleman has given me I learn that the rent at the present time is a thousand dollars per annum. Am I right?

Mr. STEWART (Leeds): Yes.

Mr. POULIOT: First of all, as I have said the council was ready to improve that building for a rental of $800 per year. Now they have received a thousand dollars. I wonder why this year more money is asked than was asked in 1929, which is not so long ago. The town of Trois-Pistoles has been asking for money from the unemployment relief fund to enlarge the city hall so as to provide better postal accommodation. They are allowed to spend $6,000. Three thousand of that is paid by the provincial and federal governments and three thousand by the city. The sum is a little greater than it was in 1929. However, according to some information I received on January 16, 1931, from the Minister of Labour at Quebec, I learn that the $6,000 included some other works besides the enlargement of the city hall for post office purposes. The letter of the hon. gentleman is as follows—translating from French into English.

Mr. Jean-François Pouliot, C.R., M.P.,
Rivière-du-Loup,
Témiscouata.

Dear Sir:

I have received your letter of January 15th inst. You will find underneath the information asked for with regard to the grant to the town of Trois-Pistoles from the unemployment relief fund. Six thousand dollars at 50 per cent for the enlargement of the city hall, for central sewer route, and the opening up of a new street.

It is mentioned that the above mentioned works will be executed only for the amount granted. I understand that they will do only part of those works. With best regards.

J. N. Francoeur,
Minister.

That grant included other items. In view of the fact that a report has been given by the board of health to the effect that the building was unhealthy, unsanitary and in very bad condition, did the minister stipulate in the deed that the building should be put in proper condition before any increased rental payment would be made to the town? What are the reasons the rent had been so greatly increased? The point is, that those works were first estimated at $4,000. The work which was to be done there was arranged on a very generous scale. The interest at 5 per cent on $4,000 is $200. The increase in the rent is $640. On the amount that is being spent by the town an interest of over 15 per cent would be required. I wonder if the people who have made a request in that direction have convinced the minister that it would be fair to pay such a rate of interest to the town without first asking town officials to reduce the taxes. The people of Trois-Pistoles will receive no advantage whatever. The money will be spent on a very ugly and dirty build-

ing; I wonder what stand the government will take in that respect. May I say further to the hon. minister, that there is no saving for the government, because a rental of $1,000 a year means the interest on $20,000 at 5 per cent, exactly the amount which had been voted for the building of a new post office at that place, a post office which would have been a real asset to the country at large.

Before taking my seat, may I ask the hon. gentleman why the rent has been increased from $360 to $1,000 per year, and if the plans which have been submitted by the town to the department have been approved. Further, I would ask if the rent has already been paid or if it will be paid only after those improvements have been made.

Mr. STEWART (Leeds): I think the best way to answer the hon. member is to give a short, concise, and complete history of the whole transaction. The lease was an old one and the rental being paid in this town was very low. The department desired to secure better accommodation, and the municipality came forward with the proposition to give us the desired accommodation in the municipal building. I submit that hon. members of this committee, as reasonable business men, will agree that when an opportunity is presented to the Dominon government to rent from a municipality suitable accommodation for its postal service, and such offer is accepted, the government is thereby rendering a service to the municipality concerned. The fact is that in the last estimates $20,000 was appropriated for a post office at this town. My hon. friend seems to be annoyed and disappointed that this $20,000 was not expended. Let us see what the expenditure would have actually amounted to. The vote was $20,000. From our experience it is reasonable to suppose that the cost of the building would have exceeded the estimates by $5,000 or $10,000. Interest on $30,000 at 5 per cent would be $1,500; caretakers' remuneration $500 or $600, perhaps more; then there would be heating and maintenance to pay for. The annual expenditure for the postal accommodation would have run into between $2,000 and $3,000. We have secured suitable quarters for $1,000 a year. I submit that this commendable economy will inure to the benefit not only of the municipality directly concerned, but of Canada as a whole. Personally, whenever an opportunity is presented of doing any like service to the public, I propose to embrace it. The lease is for five years and covers a portion of the ground floor of an annex to the city hall. We do not have to provide for caretaking or any similar expense. The lessor has to pay taxes, if any, and provide water, heat, light, cleaning, insurance and look after snow removal and large and small repairs. The transaction was carefully considered before being entered into, and I think it is in the interests of all concerned. We have a resolution from the local council approving the course taken by the department. It seems to me that it can be justified from every standpoint.

Mr. POULIOT: Does the lease contain a provision for its cancellation by the government within a certain time?

Mr. STEWART (Leeds): No, it is a straight five-year lease without any provision for cancellation. My hon. friend said the condition of the building was unsanitary. It is difficult to believe that any municipal corporation would maintain a building in an unsanitary condition. In any event the provincial authorities have control over such matters, and I do not think there is anything to fear on this ground. We are certainly going to insist that the accommodation be sufficient and that it be maintained in a proper sanitary condition.

Mr. POULIOT: I thank the hon. minister for his statement. It is perfectly true that the provincial authorities have control over sanitation, and therefore the director of health condemned the building as being unsanitary. The town has been very neglectful in regard to the sanitary condition of the building. Will the minister inform me if increased rent was paid to the town authorities before the improvements in the accommodation were made?

Mr. STEWART (Leeds): The information which I have under my hand does not state when the instalments of rent are payable. I am sorry I cannot tell my hon. friend whether any rent has yet been paid.

Mr. POULIOT: I desire again to direct the minister's attention to this fact, that during last winter the carpenters, labourers and other workingmen in the district had no work. I state this of my own personal knowledge because some of those men came to me for charity. If the building provided for in last year's estimates had been undertaken, those men would have had an opportunity to work and would have been saved the bitter humiliation of having to seek charity to tide them over the winter. Trois Pistoles, I admit, is not a big urban centre, but it is the second town in my constituency, and any hon. members who may motor to Gaspé this summer will have an opportunity of seeing it. The building in which accommodation has been leased by the government is very ugly, and as I have already stated, in an unsanitary

condition. Apparently the local Tories frustrated my efforts to provide work for the artisans and labourers of the community, simply because the item of $20,000 was placed in the estimates as the result of a request that I had transmitted to the former Minister of Public Works. I hope in future the hon. minister will be very careful in dealing with any representations he may receive from those hard-hearted Tories.

Mr. STEWART (Leeds): I hope some day to go down through my hon. friend's county, and I shall be pleased to drop into Trois Pistoles.

Mr. POULIOT: I invite the hon. minister to do so, and I shall be very pleased to receive him at home; indeed, I will give a cocktail party for him.

Mr. STEWART (Leeds): I accept the invitation at once.

Mr. ST-PERE: We will all be there.

Mr. STEWART (Leeds): Now, will the hon. member for Drummond-Arthabaska (Mr. Girouard) allow me to give him some information which I had not at hand when he asked for it. Advertisements for tenders were inserted in the following papers:

Victoriaville; La Voix des Bois Francs; Ste. Marie de Beauce, Le Guide; Sherbrooke, The Record, and The Forum; Ottawa, The Canada Gazette.

Item agreed to.

Public Buildings—Ontario

Belleville public building—addition to site, $20,000.
Belleville public building—improvements to heating, $1,100.
Brockville—public building—alterations and improvements, $12,000.
Copper Cliff—public building—under contract, $26,000.
Dominion public buildings—improvements, repairs, etc., $125,000.
Fort Frances—public building, $1,500.
Fort William—public building, $50,000.
Gore Bay—public building—under contract, $4,000.
Guelph—public building, $50,000.
Hawkesbury—public building—alterations to fittings, $1,500.
Keewatin—public building—under contract, $8,000.
Leamington public building—improvements to heating, $1,200.
New Liskeard—public building, $61,000.
North Bay public building—improvements, $1,100.
Orillia public building—alterations, improvements, etc., $5,000.
Parry Sound—public building, $25,000.
Penetanguishene—public building, $57,000.
Perth—public building, $25,000.
Port Arthur public building—addition and alterations—under contract, $5,000.
Port Credit—public building—under contract, $40,000.
Stratford public building—addition, $41,000.
Sturgeon Falls—public building—under contract, $5,500.
Sydenham—public building—under contract, $4,000.
Thorold—site for public building, $4,000.
Toronto — customs house — under contract, $670,000.
Toronto — postal station "A" — mechanical equipment, improvements, etc.—under contract, $33,500.
Welland public building—alterations to fittings, $2,000.
Windsor—combined public building and C.N.R. terminal, $100,000.—Total, $1,379,400.

Mr. DUFF: Mr. Chairman, before we deal with the individual items under this vote I desire for a few moments to refer to a statement which the minister read when the committee met this afternoon. This statement was given in response to my request a few days ago for certain information with regard to the appropriations and expenditures for 1930-31. In looking over the statement, I notice, as the minister said—and this, of course, includes only the Public Works department—that a total of $38,099,727.70 was voted at the general session of 1930, of which only $32,981,613.74 was expended—or a balance unexpended of $5,118,113.96. In answer to the member for Quebec East (Mr. Lapointe) the hon. minister sought to set up an alibi by stating that other governments had done the same thing, that is, not expended the full amount of the vote. I am surprised that because previous governments, and especially Liberal governments, had not expended the full amount appropriated that the minister should use that as an excuse for not spending money voted before the Conservative government came into power last August. It is quite true that this money was voted three or four weeks before parliament was dissolved, but the present government had an opportunity in August, September, October and November, of spending this $5,000,000 odd,—or perhaps more, because it is quite likely that some of the $38,000,000 was expended during those months. I say it is a pretty small excuse for the Conservative government and for the Minister of Public Works to give, as a reason why this money was not expended, that the previous administration, in former years, did not spend the money which was voted by this parliament. May I say to you, Mr. Chairman, that there was a different condition existing last year than existed in 1929, in 1928 and in previous years. This country was prosperous during those years and perhaps there was not the necessity for spending public money in this country.

However, this government came into power; almost immediately they were compelled to call a special session of parliament to vote money for unemployment purposes, and they did vote $20,000,000. What I want to ask the minister now is why, when he had $5,000,000 in his hands voted by this parliament, he did not spend that money and tell the Prime Minister there was no need to vote $20,000,000 for unemployment, that the only thing necessary at the special session was to vote $20,000,000 less $5,000,000.

The whole trouble was just as the hon. member for Quebec East said. If you look over this list you find that in the province of Alberta, which is represented by the Prime Minister, practically all the money voted last year was expended. The same thing applies to the province represented by the Minister of Public Works; in Ontario nearly all the money voted last year by the Liberal government was spent by him and his colleagues after the Liberal government went out of office and the Conservative party took over the ministerial benches. But in Quebec, in Nova Scotia and in the other provinces, I notice a different condition exists. Let us take Nova Scotia, for instance; $302,000 was voted for public buildings while only $126,000 was expended. Unemployment relief was just as necessary there as in any other province, but $170,000 was left unexpended by the Minister of Public Works. Has he the same inferiority complex with regard to Nova Scotia that is held by some few people in the province of Ontario, and that was expressed by the Ottawa Journal, for instance, in its editorial two days ago, in which it tried to make out that the people of the maritimes were always coming to this government and asking for money? Is that why the money was not spent? Take New Brunswick; $81,125 was voted for public buildings last year and only $51,000 was expended. Again I ask the Minister of Public Works whether he suffers from that inferiority complex, coming from the province of Ontario, and if he does not want to give the maritime provinces a fair show in connection with the expenditure of public money. The same thing applies to Quebec. The sum of $1,509,695 was voted by this parliament last year for public buildings, but the Minister of Public Works, as soon as the Conservative party came into power and he occupied his present important position, cut that expenditure down to $600,000, leaving $900,000 unexpended.

Now let us take harbours and rivers in the different provinces. The Liberal government voted $1,263,728 for harbours and rivers in the province of Nova Scotia, and $229,000 of that money remains unexpended. I could go right down the list. Quebec, for instance has $600,000 unexpended; British Columbia has $100,000 unexpended, and so on. As I said before, the total amount unexpended is something over $5,000,000, but here is the principal point I want to make in regard to this matter. In my remarks a few days ago I showed that whoever was responsible for making up these estimates did not make them up in a business-like or correct manner, and the first hon. gentleman to object to my statement was the Minister of Public Works. I proved, I think to the satisfaction of every business man who listened to me or who read my statement, that instead of a saving of $37,000,000 in the estimates this year, there was in fact, and only on the surface, a saving of only $12,000,000.

To-day I am going further, and this is the reason I asked for the statement which the Minister of Public Works was good enough to hand me this afternoon. This statement shows that although this $38,000,000 appears in the estimates, only $32,000,000 was expended, and in other words there is a difference of over $5,000,000. If you take that $5,000,000 from the $12,000,000 which I showed the other day was the real decrease in the estimates, instead of there being a saving of $37,000,000 as this book shows, there is only a saving of some $7,000,000. Let me go a little further. In 1930, when the Liberal government was in power, under item XVII, "Public Works—income," the Liberal government voted $25,000,000. When my right hon. friend the Prime Minister came into power, surrounded by his able cabinet—

Mr. MANION: Hear, hear.

Mr. DUFF: I include in that my friend the Minister of Railways and the Minister of Trade and Commerce, who did not say anything. When the Prime Minister gathered this great aggregation around him and wanted to show that he was going to economize, the first thing he did—presumably with the consent of the Minister of Public Works—was to turn to the maritime provinces. The estimates were reduced from $25,000,000, which was voted last year by the Liberal government for public works, to $17,000,000 this year, a difference of $8,000,000. So if you add the $8,000,000 to the $5,000,000 which was unexpended, and deduct $12,000,000 from that, you will find that instead of the Tory government saving $37,000,000 they are actually $1,000,000 behind the Liberal government.

I might go further and show that this so-called saving claimed by the Tory government is only a figment of their imagination, because in addition to saving the money which I

mentioned a moment ago they were able to reduce expenditure in the Interior department, for example, and certainly the government does not deserve any credit because they dismissed or fired from seven hundred to one thousand employees and thereby saved a great sum of money in the estimates. I will say, however, that they do deserve credit for reducing the estimates of the Minister of National Defence. I am only sorry that poor Roch Lanctot, one of the former members for Quebec, is not here to read the estimates and see that after all the years he fought to get the estimates of the Department of National Defence reduced, this is the first year that has happened.

Mr. GOTT: Believe it or not.

Mr. DUFF: Yes, believe it or not, but the fact remains that when all this talk that has gone out in the newspapers throughout the country, of a reduction of $37,000,000 in the estimates, is boiled down it merely comes to this, that instead of reducing the estimates $37,000,000 this government has not saved one dollar except at the expense of the country and by starving the various services. In other words, this government has been penny wise and pound foolish in reducing certain items.

Take for example the province of Nova Scotia. As I said a moment ago, some $200,000 was unexpended last year, but that is not the worst of the picture. Not only was there $200,000 unexpended last year, but what do we find in the main estimates this year, when the government has ten supporters from that province? Do we find as much money as was voted last year, when there were only three members supporting the government? We do not; we find a reduction of something like $200,000 as compared with last year.

Mr. MacDONALD (Cape Breton): Last year there was an election.

Mr. DUFF: That is quite right, and let me say to my hon. friend from Cape Breton, whom I helped get through this house a vote for the new Waterford post office, that not only in election years but in previous years there have been large expenditures in the maritime provinces. Take my own constituency, for example; during the four years from 1926 to 1930, when I represented Antigonish-Guysborough, I secured $600,000 for those two counties. This year there is only $2,100 in the estimates for Antigonish-Guysborough. This year, when we have ten members from Nova Scotia supporting the government, ten members who could go and no doubt went to the hon. member who represents an Ontario constituency, and who is Minister of Public Works, asking for more money to be spent in that province, there is $200,000 less in the estimates than was the case last year.

And do not forget that most of the estimates appearing in this list to-day are not new moneys at all; they are either re-votes or expenditures in connection with repairs which it is impossible to avoid. I do not say it is because my hon. friends have no influence with the government; I do not know what the reason is. But I hope that when the supplementary estimates come down every hon. member supporting the government on the opposite side from Nova Scotia will see that, instead of this condition of affairs which we have to-day, there will be a decent vote for each of the different counties of Nova Scotia.

Mr. STEWART (Leeds): If I sent another sheet of figures across to my hon. friend I suppose he would be able to prove that there had been no expenditures anywhere in Canada. He was speaking about Nova Scotia, Ontario and Quebec in relation to harbours and rivers, and he complained that in the province of Quebec there had been unexpended the sum of $606,600 on harbours and rivers. If he will go to Ontario he will find that the amount unexpended is larger than that—$731,643.20. He did not make that comparison.

Mr. POWER: The amount voted was nearly a million larger.

Mr. STEWART (Leeds): Yes, but the proportion is about the same.

An hon. MEMBER: No.

Mr. STEWART (Leeds): Yes, approximately the same.

Mr. DUFF: The figures the minister gave me are wrong, then.

Mr. STEWART (Leeds): No, they are not wrong. Now, my hon. friend was speaking about the excuse for not expending the moneys We are not looking for excuses; we are giving the reasons—perfectly good reasons. As my hon. friend knows, these expenditures are made from revenues, and the revenues declined. But let me suggest that in the prior years to which he referred, when the revenues were not declining, when in fact they were abundant, there was no excuse for the failure of the government to expend a larger sum than we failed to expend in the last year. Then he speaks about Nova Scotia and complains that the expenditure there this year is not as large as it should be. Well, he cannot charge this on political grounds, surely. With the

number of representatives we have from the province of Nova Scotia, it is apparent that there is no attempt to make expenditures on political grounds. He must agree with that.

Mr. DUFF: I certainly agree that the lack of expenditures is not on political grounds; I certainly agree with that. I am sorry the minister did not understand me. What I said was that there are certain reasons why a few people in Ontario do not appreciate the importance of Nova Scotia, and I am afraid the Minister of Public Works is one of those people. I said I thought that some people in Ontario had an inferiority complex. Now is that plain enough?

An hon. MEMBER: A superiority complex.

Mr. DUFF: No, inferiority. Get that straight. Then my hon. friend says that the reason why he did not spend this money last year was that the revenues decreased. The hon. gentleman evidently does not know enough about business to realize that when the Liberal party went out of power last year they left a surplus of some eighty million dollars in the treasury. The money which went to make up the estimates of last year was voted out of money that was in the treasury at the time, before we went out of power; consequently my hon. friend has no right to make the statement that he did not spend the money because the revenues were not sufficient. It is true that as soon as the Tory party got into power a blight came over the country. Providence has never favoured the Tory party ever since I can remember. As soon as the Tory party has come into power, whether from 1878 to 1896, or from 1911 to 1921, this country has gone to the dogs. The only time the country was prosperous was when the Liberal party was in power. My hon. friend surely could not say that when we left them in 1911 with a surplus of $37,000,000, and in 1930 with a surplus of $80,000,000, that was the reason he did not expend the money. That will not go down with any man who has any business sense at all and who understands the financial condition of this country. There is no reason why the money was not expended except that my hon. friend did not went to spend it. It was voted by a Liberal government, and he said, "I presume it was to be spent in Liberal constituencies, or constituencies represented by Liberals," and so he would see that the money was not expended. He would do that to teach the electorate a lesson. I notice in the estimates that there is only $2,100 for my constituency. I am quite satisfied; it shows the difference between the Tory candidate in the county and myself.

[Mr. H. A. Stewart.]

Mr. EULER: I note that the total estimate for Ontario is reduced almost 50 per cent. Unlike my hon. friend from Nova Scotia, I will find no fault with that, even if there is nothing whatever for the constituency I represent; we did not ask for anything. I would ask the minister, however, to give some explanation with regard to some of the larger items. Take the first item, Belleville public building, addition to site, $20,000. Does this mean that a site is purchased contiguous to the public building there, and is it the intention to erect another building or an addition to a public building at present on that site?

Mr. STEWART (Leeds): The proposition is to acquire some additional land adjacent to the post office in the city of Belleville for needed extensions.

Mr. EULER: Which will be in the estimates in the succeeding year.

Mr. STEWART (Leeds): Yes.

Mr. EULER: Does the department consider it a good practice to purchase a site, leave it vacant, expend money and not erect the building at about the same time?

Mr. STEWART (Leeds): It is a good practice to purchase a site when it is in the market at a good price, and the conditions in Belleville in that respect are peculiar at this time. If the property is not secured in the near future, it will probably be lost and will have to be expropriated or acquired at a much greater cost.

Mr. EULER: One hears at times of sites being purchased. I have in mind one in the constituency of Prince Rupert purchased some years ago at a cost of some $100,000. Some $20,000 was spent in digging a basement out of solid rock, and the property has never been made use of since; it is still there. I want to caution the minister against that practice. I wish to ask for some explanation of what appear to be new public buildings in some of the towns and cities in Ontario. Take, for instance, the following: Fort William, $50,000 for a public building —perhaps I should say the city of Fort William in deference to the Minister of Railways (Mr. Manion). Then Guelph, $50,000; New Liskeard, $61,000; Penetanguishene, $57,000; Stratford, $41,000. Are these new buildings, and what is the purpose of the appropriation?

Mr. STEWART (Leeds): As regards Fort William, the amount of $50,000 is to provide for the purchase of a site for the erection thereon of a public building for the accommodation of all government services there.

Mr. EULER: Is the reason the same as that given with respect to Belleville—the time is opportune to secure the site?

Mr. BEAUBIEN: Is there a land boom at Fort William?

Mr. MANION: No, I wish there were.

Mr. STEWART (Leeds): I hope not, for the purposes of this vote; I hope there is a land depression there temporarily. What was the next item?

Mr. EULER: The next one is Guelph; That is also for a public building, $50,000.

Mr. STEWART (Leeds): This is to provide for the erection of a public building at Guelph to accommodate all the government services, which are at the present time very much overcrowded. The population is 19,000, the postal revenue $101,567 and the customs revenue $760,549.

Mr. EULER: Is this amount merely for a site, or is it for a new building?

Mr. STEWART (Leeds): It is to make a beginning towards a new building. Since 1919 demands have been received for a building.

Mr. EULER: You have to have a site before you can erect a building. Is this for the purchase of a site or does it include a portion of the cost of the building?

Mr. STEWART (Leeds): This vote will be for the purchase of a site. I do not know what the site will cost; if there is anything left, it will go towards the construction of a building.

Mr. EULER: I suppose the same reason would apply—the real estate market is down at the present time and it is advisable to buy now. There is an appropriation of $670,000 for the Toronto customs house; does that complete the building?

Mr. STEWART (Leeds): That was a contract undertaken, as my hon. friend knows, by the previous administration. It is now well under way. This vote is required to complete the existing contract. It will not complete the building, as there will have to be another extension made some time.

Mr. EULER: I am quite interested in this because it was initiated while I was in the Department of National Revenue. How much will be required to complete the whole contract, and has anything been added to the original contract?

Mr. STEWART (Leeds): Nothing has been added to the contract. The contract was for $2,057,000 and this amount is required to complete it. There will be some small items in addition, but I do not anticipate they will amount to very much.

Mr. EULER: I have no fault to find with that. When may we expect the completion of the building? As I remember, it is very badly needed.

Mr. STEWART (Leeds): We hope to have it completed in July of this year.

Mr. EULER: Why should not an amount be included in the estimates to complete the building if it is intended to complete it in July?

Mr. STEWART (Leeds): As my hon. friend knows, it is contemplated to make an extension to the west some time in the future.

Mr. EULER: Does this vote include equipment and furnishing of the building?

Mr. STEWART (Leeds): Yes.

Mr. EULER: There is another item in connection with the city of Windsor, a combined public building and Canadian National Railways terminal, $100,000.

Sir EUGENE FISET: A Canadian National station.

Mr. EULER: Yes. I have some recollection of being in Windsor and noting that the customs building—I think it is a combined post office and customs building—is situated in a very valuable part of the city. I think the suggestion was made at that time that that land should be sold and the moneys applied to the erection of a public building so that practically no additional appropriation would be required. Will the minister advise the committee if he has that plan under consideration, and exactly what the $100,000 is intended to cover? Perhaps he would give us some little explanation as to what the government expects to do in Windsor.

Mr. STEWART (Leeds): This is a revote of an item which appeared in the estimates of last year. The Canadian National Railways need a station very badly in the city of Windsor, and it was suggested that accommodation might be provided in the building

which they would erect, in return for which we would contribute to the cost. Negotiations have been proceeding along that line and this is simply a revote of an item which appeared last year for that purpose. If cooperation is secured this amount will be used; if not, we will have to consider what other steps will be taken.

Mr. EULER: I am not criticizing the vote made last year, but I should like to know what is to be done with the $100,000. The erection of a joint public building to include a terminal station for the Canadian National Railways will require more than $100,000. Perhaps the hon. minister can give the committee a little more definite information as to what the scheme implies and involves.

Mr. STEWART (Leeds): It would be similar to the arrangement which exists in Toronto, where the easterly end of the terminal buildings is used as a postal station. We paid for that as the building was being erected.

Mr. EULER: Will a capital expenditure be made by the Canadian National Railways and rental paid by the federal government for the use of the premises? I think that is what was done in Toronto; I do not think the federal government contributed to the erection of the building as a capital expenditure.

Mr. STEWART (Leeds): I am told that as the work went along we contributed towards the capital expenditure based on progress estimates, and this is to be a similar arrangement.

Mr. EULER: That is, we have an actual ownership in the Toronto union station building?

Mr. STEWART (Leeds): We have an actual ownership; we own that easterly portion of it.

Mr. EULER: And the government proposes to make a similar arrangement in Windsor?

Mr. STEWART (Leeds): That is the basis of this vote.

Mr. SANDERSON: Can the minister give the committee some information regarding the amounts spent in Ontario out of the unemployment relief fund? I am particularly interested in what are known as public buildings. I understand that certain amounts were expended in Ontario out of that fund through the provincial government and the municipalities, and I would like to know what buildings were erected, and their cost.

[Mr. H. A. Stewart.]

Mr. STEWART (Leeds): I think my answer would apply to other questions which have been asked; no expenditures have been made through the Public Works department for the relief of unemployment.

Mr. SANDERSON: Do I understand the minister to say that no amounts were spent in Ontario out of that fund?

Mr. STEWART (Leeds): None of the $20,000,000 was expended through the Public Works department; it was all expended in cooperation with the provinces and municipalities, through the Department of Labour, and was administered by that department. We have no information in this department as to those expenditures; as far as I know there were no expenditures on Dominion public buildings made out of that fund.

Mr. SANDERSON: I quite understand that no money was spent for unemployment relief by the Public Works department, but I believe some money was spent on public buildings which will eventually come under the jurisdiction of the federal Public Works department.

Mr. STEWART (Leeds): I do not know of any expenditure on a building which will come under the control of this department. The unemployment relief was an undertaking in partnership of cooperation with the municipalities and the provinces, and the expenditures were made on municipal and provincial works. No expenditures were made on Dominion work as such.

Mr. SANDERSON: Would that answer apply to the other provinces as well? Were there no amounts spent out of that fund on public buildings in any of the other provinces?

Mr. STEWART (Leeds): No amounts expended out of that fund for Dominion public buildings in any province.

Mr. FACTOR: Did I understand the minister to say that the amount of $670,000 for the Toronto customs house will complete the first unit of that undertaking?

Mr. STEWART (Leeds): That is correct. It will complete what my hon. friend knows to be under construction there.

Mr. FACTOR: Does the minister propose to carry out in their entirety the plans for the Toronto customs house as originally drawn?

Mr. STEWART (Leeds): There is no provision in the estimates for any extension of the work this year.

Mr. FACTOR: I quite appreciate that, but what I wish to know is this: The government has not abandoned the plans and does not consider this as completing the entire scheme for the customs house?

Mr. STEWART (Leeds): Oh, no. There is no abandonment of the plan. As time goes on and circumstances warrant, I have no doubt that the building will be completed.

Sir EUGENE FISET: The minister a few moments ago stated, quite correctly, that no part of the $20,000,000 voted last fall had been spent by the Public Works department on public buildings, but what we want to ascertain is whether any part of that amount was used to construct public buildings which later on may be owned by the Public Works department.

Mr. STEWART (Leeds): So far as I know, there has been no expenditure such as my hon. friend refers to.

Mr. SANDERSON: Will the minister endeavour to get that information and give it to the committee?

Mr. STEWART (Leeds): I think that information will be given to the house in another way through the regular channel, namely, by the minister who must report on the expenditures under the appropriation for unemployment relief. I would not like to undertake to go into another department to get that information.

Sir EUGENE FISET: The minister must realize that the Minister of Labour has not a seat in this house.

Mr. STEWART (Leeds): I am sure that all the information will come down. When it does I am pretty well assured that it will be complete in every detail, and I hope that it will be pleasing to the house.

Mr. SANDERSON: It was distinctly understood, I think, by hon. members in the emergency session held last fall—if you look up Hansard I think you will find it mentioned many times—that part of the $20,000,000 would be spent for federal public buildings in different parts of the Dominion.

Some hon. MEMBERS: No, no.

Mr. SANDERSON: I am sorry I have not Hansard here, but my hon. friends I think are mistaken when they say, "no, no." Apparently the minister is quite willing to give any and all information that he can, and I do think it is a reasonable request that he should get that information and give it to the committee.

Mr. STEWART (Leeds): All I can say is that the Minister of Public Works tried very hard to get a part of that $20,000,000 to spend, and he did not succeed. As I recall the debate and the statement of the Minister of Finance at that time, some mention may have been made of public works, but the Public Works department received no money from that source. I think my hon. friend might very well await the statement of the Minister of Labour as to the expenditure in his department.

Mr. SANDERSON: I am not altogether satisfied with the answer of the minister. He says that he does not know of any such expenditures. Will he be good enough to find out definitely? If there have been no such expenditures, well and good.

Mr. STEWART (Leeds): I am able to state definitely that no expenditure of any part of the $20,000,000 has been made through the Public Works department.

Mr. SANDERSON: Not through the Public Works department—that was not my question. I would not expect it would be spent through the Public Works department, but I would expect it would be spent for public buildings which eventually would come under the control of the Public Works department or which are now under its control.

Mr. STEWART (Leeds): What type of public building has my hon. friend in mind?

Mr. SANDERSON: The minister is more conversant with public buildings than I am. I mean any kind of federal public building —post office, custom house or any other.

Mr. STEWART (Leeds): I can only assure my hon. friend that not a dollar of the twenty million has gone into post offices or any public buildings constructed under the authorilty of the Department of Public Works.

Mr. SANDERSON: I do not mean constructed under the authority of the Department of Public Works.

Mr. STEWART (Leeds): That is the only authority under which public buildings are constructed except such buildings as are constructed by the Department of National Defence and one or two other departments.

Mr. SANDERSON: Was there not a special provision in connection with the twenty million dollar appropriation for the relief of unemployment that some of it would be spent for the erection of public buildings?

Mr. STEWART (Leeds): No.

Mr. SANDERSON: Or public works?

Mr. MANION: Largely municipal public works such as sewers, and that kind of thing.

Mr. SANDERSON: I do not mean sewers and that kind of thing.

Mr. MANION: Those are public works, but municipal public works.

Mr. STEWART (Leeds): The grant was left open to be appropriated by the governor in council, and appropriations have not been made for public buildings.

Mr. MOTHERWELL: I think there is a large building going up in Regina for the World's Grain Congress, constructed out of that fund.

Mr. STEWART (Leeds): Not built by the Public Works department.

Mr. MOTHERWELL: No, but out of the $20,000,000.

Mr. EULER: In connection with the vote of $61,000 for a public building at New Liskeard, $10,000 of which is a re-vote, $15,000 having been voted last year, am I to assume that that is now under contract?

Mr. STEWART (Leeds): No.

Mr. EULER: What is the purpose of this vote of $61,000.

Mr. STEWART (Leeds): It is to construct the building. Plans are being prepared and, when ready, tenders will be called and the building probably constructed.

Mr. EULER: Is the same true with respect to the public building at Penetanguishene, for which there is a vote of $57,000, part of which is a re-vote?

Mr. STEWART (Leeds): That is to acquire the site and construct the building.

Mr. EULER: It includes both?

Mr. STEWART (Leeds): Yes.

Mr. HEENAN: In connection with the minister's reply to the question of my hon. friend from Toronto (Mr. Factor) with respect to the customs house there, and the minister's assurance that it would be completed at some time in the future, can he assure the committee that there will be no cessation of work on the building in the meantime?

Mr. STEWART (Leeds): There will be no cessation of work in respect of existing contracts; that is all.

Mr. HEENAN: According to the estimates there is a reduction of approximately $1,250,000 in the expenditure on public buildings in Ontario this year. In view of the unemployment situation in this province, does the minister consider it a good thing to reduce the expenditure on necessary public buildings and at the same time grant employment relief through other channels?

Mr. STEWART (Leeds): I can only repeat what I have mentioned frequently, that these buildings are constructed out of the revenues, and we are going as far as we think the revenues of Canada warrant in the construction of public buildings at the present time.

Mr. HEENAN: I do not think the minister got my point. Last year we voted $20,000,000 to make grants to the provinces and municipalities for unemployment relief. After all is said and done, the revenues come from the taxpayers of Canada, whether they be collected by the municipalities, the provinces or the federal government. My thought is that we might well have gone on with our building program and spent money in that way through the construction of necessary public buildings. As the minister said, the revenue of the country has to be considered. If however we are going to spend it, would it not be better to spend it on our own public works rather than hand it out to some other body to spend in some other way?

Mr. STEWART (Leeds): I think my hon. friend will agree that the manner of spending the money is a matter of policy. He has laid down, I believe the principle that the relief of unemployment is primarily a provincial and municipal matter, and that the federal government may properly assist when unemployment becomes acute. Undoubtedly he will agree with me that funds providing for the relief of unemployment should be fluid and available for expenditure where unemployment exists in the greatest measure. If an item were placed in the estimates the funds would be available for expenditure only on that particular work at that particular place, so that an item in the estimates would not meet an emergency as effectively as a direct vote for the relief of unemployment when from time to time urgent conditions arise. The principle has been adopted of securing knowledge of local conditions through the cooperation of the provinces and municipalities. On reflection I think my hon. friend will agree that the direct vote is better fitted to give a greater measure of relief than is a fixed amount in the estimates for some particular place where unemployment may not be acute. On the other hand it might so happen that such moneys would not be available where conditions were unfavourable. Expenditure on public buildings does not always afford as effective measure of unemploy-

ment relief as the making of funds available for expenditure on other works. For instance, under the statute the department has the power to make contracts for public buildings. We may enter into a contract to complete a building by July 1 of next year. Yet the contractor is his own master; he alone controls the number of men he employs, where he will secure his material, and when he will do the work. For those reasons the department would be unable to give that measure of relief to unemployment which might reasonably be expected.

Mr. HEENAN: I agree that there is good reasoning in the argument of the minister. But may I point out that it was a Conservative government which first laid down the principle—by order in council in 1920 and 1921—that unemployment was primarily the responsibility of the municipalities and the provinces. Foolishly I think, we followed suit—and I believe the only time I ever got into trouble was when I followed the example of my hon. friend. However, we proceeded with the building program, and received the thanks of the unemployment conference held in Winnipeg in 1930. We thought that if federal moneys were spent on federal projects and the provinces and municipalities respectively followed a similar course, we would arrive at the same result as is now suggested by my hon. friend. For instance, in Toronto, which, with the exception of the constituency of Toronto West Centre represented by my hon. friend behind me (Mr. Factor) is not a Liberal stronghold, we let a contract for a public building aggregating about $3,000,000. At that time there was a great deal of unemployment in Toronto, and the contract provided a considerable amount of labour. The point I wish to make is—

Mr. GEARY: Is that the reason my hon. friend let that contract?

Mr. HEENAN: I agree that the municipalities could probably better tell us where unemployment exists. The government has taken the credit of appropriating $20,000,000 for the relief of unemployment. If however they save five or ten million dollars through not proceeding with public expenditures, that amount should be deducted from the amount for which they take credit.

Mr. FACTOR: Undoubtedly the minister is aware that the government owns the site at the northwest corner of Oxford street and Spadina avenue in the city of Toronto. That particular point happens to be in my constituency. I learn that the site was purchased for the purpose of erecting a branch post office, The former government did not proceed with the building and now that the Conservative government is in power and the member for the locality has changed, I thought perhaps the minister would proceed with the building of the post office.

An hon. MEMBER: There is no revenue.

Mr. STEWART (Leeds): That site was purchased some time ago. I do not know whether or not conditions in the city of Toronto, which have been rapidly changing, would warrant at the present time the construction of the building. However, the request of my hon. friend will be considered.

Mr. FACTOR: I wish to thank the minister for his courtesy, and would add that a post office building is very badly needed in that particular location.

Mr. POWER: In connection with the discussion which has taken place between the Minister of Public Works and the hon. member for South Perth, I refer the minister to the debates of the last session concerning the expenditure of moneys under the vote of $20,000,000. The Prime Minister is reported at page 65 of Hansard—

Sir EUGENE FISET: Ex cathedra.

Mr. POWER: Yes, speaking ex cathedra, and with all the infallibility of which he is capable. The extract is as follows:

> It is proposed that this money shall be utilized just as the conference held in Ottawa concluded in their resolutions that they should be used. That body being a non-political one, we propose in the broadest and most proper sense of the term to follow that course in dealing with these moneys.
>
> First there are national undertakings which this country may embark upon—public undertakings, buildings, wharves, piers that might not be constructed until next summer, but a portion of which work might well be done now instead of then. There might be the extension of existing contracts in connection with public undertakings.

Then he states further:

> There are public undertakings which provinces and municipalities will engage in, but which otherwise they would not engage in until perhaps a year from now.

Giving an instance of the work which might be carried on under the vote of $20,000,000, the Prime Minister is reported at page 67 of Hansard as follows:

> I will give an illustration of what I think my hon. friend will at once see covers the case. Work is being carried on in connection with the breakwater, we will say, at the head of the lakes—I give that as an illustration—the parliamentary appropriation has been exhausted; the work could be usefully carried on and give

employment to several hundred men for several weeks longer; it would be proposed, at the same unit cost, to continue that work. With respect to public works and similar undertakings, the government has considered no claims of that character at the moment, because I am bound to say as I think my hon. friend will agree, that the estimates passed last session were very generous in their appropriation of public moneys. and we are endeavouring to see that those moneys are expended with a view to providing employment.

This statement of the Prime Minister would seem to me to be a direct contradiction of the policy laid down by the Minister of Public Works. I am sorry the right hon. gentleman is not in the chamber; if he were I would ask him why he allowed the Minister of Public Works to make that statement.

Mr. STEWART (Leeds): I did not make a statement.

Mr. POWER: I would ask the Prime Minister why he allowed the Minister of Public Works to give the committee the impression this afternoon that none of these moneys were being expended primarily for the purpose of unemployment. Now we find that his leader has laid down that not only were the moneys which were voted last year for public works to be expended, but we were to get something more out of the $20,000,000. That is the situation which the Prime Minister outlined to us at the special session. He said: If there is not enough money left out of the appropriation made in the main session of 1930, we will give you more out of the $20,000,000. Instead of following that policy the hon. minister now says: I am going to save that money.

Mr. STEWART (Leeds): No, he did not say so.

Mr. POWER: He said: In the province of Quebec I will spend $1,500,000 less; in Nova Scotia, so much less; in New Brunswick, so much less; in Prince Edward Island, so much less, and in Manitoba, so much less. As a matter of fact his leader laid down the principle that the first moneys to be expended out of that $20,000,000 were to be applied to continue the erection of public works which were then being undertaken. It seems to me that there is a decided difference between the policies of the right hon. Prime Minister and his Minister of Public Works. In a way I am glad the Prime Minister is not here, because with his usual politeness—may I say?—he might tell the minister that it would have been better for him not to have made the statement which he has made this afternoon. The Prime Minister might have said it more harshly. In all sincerity I suggest to the minister that he discuss this matter fully with his leader and that he get his leader's assent to any statement he may make in the house. Otherwise when his leader reads Hansard—

Mr. SPENCE: You are going too far, and you know it.

Mr. POWER: My hon. friend gives me credit for more generosity than I possess.

Mr. SPENCE: You are just putting on a show.

Mr. POWER: I had the honour and the pleasure of listening to my hon. friend for many years when I was on the other side of the house, and much as I appreciate the courtesy he has always shown us, I think I may remind him that I never have been lacking in courtesy to members on his side. I may tell him that if I stress this matter with the Minister of Public Works it is because the country wants to know just where we are getting. Time and again in this house policies are announced, or it is said that we are going to have an announcement of policy, or there is a splurge in the newspapers, then Humpty Dumpty marches up the hill—only to march down again. That is the situation we have confronting us, and we are spending less on unemployment to-day than under any other administration.

Mr. STEWART (Leeds): Mr. Chairman, my hon. friend has quoted from Hansard, and quoted quite correctly; but the Prime Minister did not intend to, and did not do, more than indicate possible lines of expenditure for this money. If my hon. friend will look at the statute he will find tt is provided that the money shall be disposed of by order in council in such way as may be directed. So there was no absolute or definite commission to expend any part of this $20,000,000 on public works as such.

Mr. POWER: Does my hon. friend mean to insinuate that his leader was not definite on anything?

Mr. STEWART (Leeds): Of course not. As my hon. friend knows, the Prime Minister is very definite and quite able to take care of himself. But if my hon. friend will follow the statute through, he will find that to be the fact, that that was simply an indication of how the money might be used. Subsequently a policy was evolved, and I believe the orders in council asked for have been laid on the table showing the lines on which

these expenditures were made. As is now pretty generally understood, they were made in cooperation with the provinces and the municipalities. In that way a larger sum was secured for the relief of unemployment than could have been provided through the expenditures of the whole $20,000,000 on public works. If any different policy from that suggested was adopted, it was because circumstances fully warranted the change, and because the policy finally adopted was better in the public interest, and, as was calculated, has resulted in giving a very much larger measure of relief to unemployment than could have been possible by the method referred to by my hon. friend.

Mr. VENIOT: May I ask the minister if the amount voted in the winter session of 1930 had been expended, would not that have increased the amount provided for unemployment? Did not the Prime Minister by his statement in September give the house and the country to understand that if the money voted in the winter session of 1930 had not been voted, it would have been necessary to vote even more than $20,000,000 for unemployment relief? That is the point which I wish cleared up. We voted the money in 1930 for certain public works. At the time we were discussing in the house the unemployment situation, and the intention of the government of that day in voting the money was to carry on as rapidly as possible the proposed public works to provide employment. The general election takes place, the government of the day is defeated, a new government comes into power, a special session is called in September, and in order to relieve the unemployment situation the Prime Minister states to this house that in addition to the money already voted by parliament it is necessary to vote $20,000,000. That having been done, why hold back the expenditure of the $20,000,000 and give as a reason, as the minister himself has given with respect to certain cases in my county, that the holding back was in consequence of lack of revenue? It was clearly pointed out to the minister by myself personally, and by various letters that he received, that the situation existing in that county was such that the people were practically on the verge of starvation. The necessary expenditure had been authorized by parliament, tenders had been called for, the minister himself recommending that the lowest tender be accepted at a figure of $6,000 less than the cost of the work as estimated by the engineers of the department. After receiving appeal upon appeal the minister's heart was softened, he went to council to recommend that this work be carried out. Yet in the face of those apeals and of the recommendation of the minister himself—I give him credit for his change of heart—the necessary work was cancelled and the people were left almost on the verge of starvation. All that was expended in that district out of the share of the $20,000,000 allotted to New Brunswick—expended on the recommendation of the provincial government—was the small sum of betwen $250 and $300. Now, I take it that in the winter of 1930 money having been voted for these public works, the present Prime Minister having stood up in this house in September and said that in addition to all that money it was necessary to vote $20,000,000 to relieve unemployment, surely there was no reason why these public works should not have been proceeded with even in the middle of winter.

Mr. BERTRAND: I notice an item for alterations to fittings in the public building at Hawkesbury. What is the nature of the alterations?

Mr. STEWART (Leeds): This is an item of $1,500 to provide for alterations to the screen and fittings in the post office at Hawkesbury, as requested by the deputy postmaster general.

Mr. VENIOT: It is quite necessary.

Mr. BERTRAND: I wonder if the minister is aware that this was an extension to the post office building in Hawkesbury and consequently there will need to be some alteration of the fittings. When these alterations are made it will be necessary to have a regular cleaning up of the post office, including new paint, because it looks very bad at the present time. I quite approve of the alterations which are to be made and I would ask the minister to have this building cleaned up. I was in the cellar of that building recently, and from the top to the cellar it is in a very bad state. It should be cleaned up in the interests of public health and for many other reasons. I hope the minister will give this question his kind consideration.

Mr. STEWART (Leeds): I can only say to my hon. friend that expenditures of this kind are made from the general fund for maintenance of buildings. The condition of this post office will be investigated and needed repairs will be made.

Mr. DONNELLY: In this list of appropriations and expenditures with which the minister has furnished us for 1930-31, referring to vote 186 for Ontario, I see that the difference between the appropriations and the ex-

penditures is $332,962. When I refer to the estimates I find at the bottom of the column the words "appropriations not required," and the amount is $539,450. Will the minister kindly explain the difference in those figures?

Mr. STEWART (Leeds): These are cases where votes are made for a certain amount and it is found that the full amount is not required or is not expended, and it lapses.

Mr. DONNELLY: But why the difference in the figures? These two sets of figures refer to the same thing, so why should there be a difference of $200,000?

Mr. STEWART (Leeds): That is a matter covering a great many details and a great many cases.

Mr. DONNELLY: I cannot see the reason for the difference. Here we have a list of the appropriations and expenditures, the difference being that part of the appropriations which was not required, which is given as some $332,000. In the other case the amount of $539,000 is given for the same thing. Why should there be any difference?

Mr. STEWART (Leeds): If my hon. friend would ask for any particular appropriation I could give him the details and the amount.

Mr. DONNELLY: You give us the whole list here, under vote 186 covering Ontario, and at the bottom you say, "appropriations not required, $539,450." Now I take up this statement which was handed us and I find that under vote 186, for the province of Ontario, $2,616,323.95 was appropriated, of which we are told $2,283,361.92 was expended, leaving a difference of approximately $332,000. I am asking only for the reason for the difference between the two sets of figures.

Mr. STEWART (Leeds): The difference arises from several causes. In some cases the work is started and not completed, while in others the amount required is less than the amount voted, and the difference lapses.

Mr. DONNELLY: I fully realize that, but I am asking the reason for the difference between these two sets of figures, which are for the same year and are supposed to cover the same thing.

Mr. STEWART (Leeds): It is not the same thing, the difference being that we have an appropriation one year and we complete the work the following year.

Mr. RUTHERFORD: Looking over the estimates for public buildings in Ontario I see the town of Wallaceburg has been overlooked. Last session $20,000 was voted for a public building at this point and tenders were called for last September. There is no doubt that Wallaceburg had its share of unemployment, and I think it would have been of great advantage to the town if work had been proceeded with in connection with that building. I should like to know why nothing has been done and why there is nothing in the estimates this year for this building.

Mr. STEWART (Leeds): The plans for this building were prepared by an outside architect.

Mr. RUTHERFORD: Pardon me, but the plans were prepared by an architect in Chatham, not an architect outside the county of Kent.

Mr. STEWART (Leeds): I meant an architect outside the department; the plans were prepared by a local architect. There was some more or less serious objection raised to the plans after the matter was submitted for consideration, and further representations were made to the effect that the building was not adequate, so other plans had to be prepared.

Mr. RUTHERFORD: I understand that the people of Wallaceburg were perfectly satisfied with the plans, but that apparently when the tenders were opened they were not satisfied with the man who was supposed to receive the contract. Then certain objections were raised to the plans; they wanted two doors instead of one, which was simply an excuse to delay the construction of the building. I should like to know why that construction was not proceeded with.

Mr. STEWART (Leeds): The objections to the plan were very much more extensive than my hon. friend suggests. With reference to the contractor I can only say that it is the policy of the Department of Public Works to accept the lowest tender, and that policy is rigidly adhered to.

Mr. RUTHERFORD: Why was not the lowest tender accepted?

Mr. STEWART (Leeds): I have given my hon. friend the reasons; it was because of certain objections to the plans. It was suggested that there should be radical changes made in the construction of the building.

Mr. RUTHERFORD: Then after those radical changes were made why was not an appropriation put in the estimates for this year?

Mr. STEWART (Leeds): A great many demands have been made for the inclusion of amounts in the estimates to provide for public buildings. We have not been able to meet all those demands this year.

Mr. RUTHERFORD: If I understand the matter correctly, departmental architects prepared the plans and everything was perfectly satisfactory. I should like to know who objected to the proposed design of the building.

Mr. STEWART (Leeds): The plans were not prepared by our department. They were prepared by an outside architect, as I have said. I do not know just where he resides. My hon. friend's opponent took very serious objection to these plans.

Mr. POULIOT: May I ask my hon. friend why a verandah was not built on the Riviere du Loup post office? Tenders were called for and submitted, and it was only a small expenditure of $200 or $300.

Mr. STEWART (Leeds): I really do not know the facts about that small item.

Mr. POULIOT: Would my hon. friend be good enough to produce the correspondence dealing with the matter?

Mr. STEWART (Leeds): I am sure there is no correspondence, but I will look it up.

Mr. RUTHERFORD: Would the minister have any objection to producing the statement of the gentleman who objected to the plans for the Wallaceburg public building?

Mr. STEWART (Leeds): There is no written report.

Mr. RUTHERFORD: I should like to see all the correspondence.

Mr. STEWART (Leeds): The correspondence is on file and there is no objection to producing it.

Mr. SANDERSON: I see the sum of $4,000 for a site at Thorold. Has that site been purchased?

Mr. STEWART (Leeds): No; this is an appropriation with a view to acquiring a site.

Mr. SANDERSON: In whose constituency is Thorold situated?

Mr. STEWART (Leeds): In the constituency of the hon. member for Welland (Mr. Pettit).

Mr. RUTHERFORD: Will the minister let me have, after eight o'clock, the correspondence for which I asked?

Mr. STEWART (Leeds): If I can; if not, I will produce it. If my hon. friend will come to the office I will show him everything I have in connection with the matter.

Mr. SANDERSON: The item of $25,000 for Parry Sound is for a public building. This is an entirely new building. Is there a public building there now, and is this an addition?

Mr. ARTHURS: As the member for Parry Sound, perhaps I may answer the question. A building was proposed for Parry Sound. Plans and specifications were prepared and a sufficient vote provided in 1912-13. The advent of the war stopped the construction of the building. Parry Sound, as my hon. friend knows, is a very important town.

Mr. SANDERSON: I take my hon. friend's word for it; I have never been there.

Mr. ARTHURS: It has a very large postal revenue, amounting to more than that of some cities. It has a very large customs receipt, sometimes approximating a million dollars, the average being well up to the half million mark. It is also headquarters for the Marine department for the great lakes, and it has an Indian agency. The building is to accommodate all these services. The site has been purchased and owned by the government for some years.

Mr. SANDERSON: When was the site purchased?

Mr. ARTHURS: In 1913.

Mr. RUTHERFORD: Why is this new vote put in for Parry Sound?

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The ACTING CHAIRMAN (Mr. White, London): When the committee rose we were considering the resolution with regard to the Ontario public buildings.

Mr. RUTHERFORD: Would the minister be kind enough to give me the correspondence I asked for?

Mr. STEWART (Leeds): I have not the correspondence here this evening, but I assure my hon. friend it will be available.

Item agreed to.

Public Buildings—Manitoba

Deloraine—public building—under contract, $13,500.
Dominion public buildings—improvements, reparis, etc., $30,000.
Neepawa public building—improvements to fittings, $1,200.
Oak Lake—public building—under contract, $12,000.
The Pas—public building, $25,000.—Total, $81,700.

Mr. BEAUBIEN: Mr. Chairman, before this resolution carries I desire to make a few observations. At the last session of the last parliament an item was placed in the estimates for the construction of a post office at Dominion City, Manitoba, in my constituency. Up to the present time this building has not been constructed. In order to obtain some information in connection therewith, I wrote a letter the other day to the hon. Minister of Public Works as follows:

Dear Sir:

At the last session of the previous parliament an amount of $12,000 was voted for the construction of a post office building at Dominion City, Manitoba. Tenders were called and closed on the 15th August. I understand that three tenders were submitted at figures much below the estimates passed, up to the present and no work has started.

Would you be kind enough to give me the reason which caused your department to ignore the will of parliament.

I received from the minister the following reply, dated April 24:

Dear Mr. Beaubien:

I have your letter of the 22nd instant, with reference to a post office building in Dominion City, Man.

At the time the matter of awarding the contract was under consideration, a careful review of the financial situation disclosed that the revenues were decreasing, and as buildings of this character are erected out of revenue, it was felt that circumstances at the time did not warrant the government in proceeding with the construction of this building.

As you know, revenues have not increased, and under the circumstances, it is not thought that the public interest would be seriously prejudiced by the erection of this building not being proceeded with. The small revenue from the office, namely about $1,300 would not appear to warrant an expenditure on the construction of a public building at Dominion City at the present time.

It may be true that the revenues from this office are not very large, but the postal business is being carried on in a store and every hon. member knows the inconveneince of a post office being conducted in a general store. It seems to me that the all-important question in regard to the expenditure of public money is that the will of parliament be snpreme. At the last session of the last parliament the then Minister of Public Works (Mr. Elliott) introduced an item of $12,000 for the construction of this public building. The item was placed in the estimates because of the representations which had been made to him with regard to the inconvenience resulting from this post office being in a general store. No other building was available in the town for post office purposes. The estimates were brought down, the item was passed in committee of the whole, the present Minister of Public Works, then in opposition, as well as other hon. members in opposition, allowing the item to pass. I see no reason why the will of parliament should not take precedence over every other consideration. The Prime Minister in nearly every speech he has made has advocated that our parliamentary institutions be respected and that the will of parliament be supreme. But how can we respect the parliament of Canada if an item passed unanimously by the house, advertised in the newspapers all over the country, is disregarded, the new Minister of Public Works —I do not accuse the hon. minister of any unfairness; far be it from such—claiming as an excuse that the revenues of the country are decreasing and therefore this work should not be gone on with. During the special session of parliament I urged that this building should be constructed. I was told by the minister that the matter was under consideration. When I returned home after prorogation, in answer to telegrams sent to the department I was told that the matter was still under consideration. The representatives of that municipality came to me and asked me when I expected the contract would be let. May I point out that the tenders were called for and came in by the 15th of August, and that those tenders were below the estimated cost of the department? Three tenders were submitted, one at $6,925, another at $7,133, and another at $8,386. I know nothing about the politics of the tenderers; it makes no difference whether they were Conservative, Liberals, Progressives or anything else. But I do know that the tenders were far below the estimated cost of the department. That being so, and the proposed expenditure being only small, I can see no reason why it should not have been made.

We from the west sitting in this house had to pass in the last days of March or early in April a vote of $2,000,000 for work done on the Welland canal, which had not been authorized by parliament, work which the Prime Minister first said was authorized by order in council, but in respect of which in the evening he said there was no order in council. The Minister of Railways and Canals, on that occasion said that that expenditure was authorized on account of the unemployment situation that existed at that time, as well as the favourable weather conditions, in order to help the unemployed. How did this government treat different parts of Canada in the matter of providing employment? The representative of the muni-

cipality I have been speaking of sent a telegram to the Minister of Public Works, dated September 25, 1930, as follows:

Hon. H. A. Stewart,
Minister of Public Works,
Ottawa.

The council of the municipality of Franklin strongly urge the immediate letting of a contract for post office building in Dominion City. Would greatly relieve the unemployment situation.

John R. Witty,
Secretary-Treasurer,
Municipality of Franklin.

The Minister of Public Works knows, as does every member of the house, that in these small communities there are always from twenty-five to thirty young men, some of them married, who go out and work on the farm during the spring and for whom there is no work in the fall after farming operations have ceased. They cannot go into the city and get relief of any kind because most of the cities have regulations regarding residents with which people from outside cannot comply. I would forgive the minister and the government for their negligence or—shall I say?—for overlooking certain constituencies and certain parts of Canada if the minister would promise me that in the supplementary estimates an amount will be provided for the construction of this post office. I will sit down to allow the minister to give me an answer.

Mr. CHAPLIN: Before the minister makes any such promises as that—

Mr. BEAUBIEN: Is the hon. member answering for the minister?

Mr. CHAPLIN: No, I am not.

Mr. BEAUBIEN: Then I am going to go on, and you can talk after I am through.

Mr. CHAPLIN: You sat down.

Mr. BEAUBIEN: You cannot speak in my time. Afterwards you can have all the time you want.

Mr. CHAPLIN: I understood, Mr. Chairman, that the hon. member was through. He sat down.

Mr. BEAUBIEN: I am not through. I said that I would sit down for the minister to give me an answer, and if he will answer me I will sit down now.

Mr. STEWART (Leeds): It will not take very long to answer the question. I cannot promise the hon. gentleman or any other hon. member of this house that any item will appear in the supplementary estimates.

Mr. BEAUBIEN: Will the minister take it into consideration?

Mr. STEWART (Leeds): Yes, certainly.

Mr. MERCIER (St. Henri): Serious consideration?

Mr. STEWART (Leeds): Very serious consideration.

Mr. BEAUBIEN: In order that the minister may give it very serious consideration, I am going to present a few more arguments in favour of this post office. I took very good care at the special session of parliament to ask a question with regard to public moneys which had been voted by the last parliament and earmarked for certain public works. We were discussing the $20,000,000 grant for unemployment relief, and I asked this question, which will be found at page 160 of Hansard of September 12, 1930:

Mr. Beaubien: Under clause 2 of this bill we are giving the governor in council the right to expend $20,000,000 without knowing where or how that money is to be expended. I understand that this sum is for the relief of unemployment. In view of the fact that certain moneys were voted during the last session of parliament, earmarked for certain public works, is it the intention of the government to go on with those works which were designated in the estimates passed unanimously last year, with a view to relieving unemployment that may exist in the smaller communities, where any unemployment that exists is not given so much prominence in the press?

The Prime Minister, after answering certain questions that had been asked by the hon. member for Quebec East, replied to my question as follows:

Apart altogether from the question by my hon. friend who has just taken his seat (Mr. Beaubien) as to public building undertakings, with respect to those, the details, or—shall I say?—particulars of general expenditure were given for the purpose of meeting that situation if it arises.

He goes on:

So far as I am concerned, I hope the expenditures federally will be as little as possible in that regard, but it well may be that with the necessity and opportunity combining—that is, the necessity for something being done and this providing the opportunity to enable it to be done—it is in the public interest that it should be done now rather than ten or twelve months later. This affords an opportunity of calling for tenders, drawing plans and letting the contracts for doing the work. That is all.

Then comes this paragraph, to which I wish to direct particular attention:

So far as those undertakings that are covered by the estimates of the present year are concerned, they are constantly engaging the attention of the government. As the former Min-

ister of Public Works (Mr. Elliott) has said, contracts are being let frequently—you saw three or four yesterday—and certainly between July 28 and August 7 many contracts were made by the outgoing government; the date for the expiry of the tenders having arrived between July 28 and August 7, contracts were let by the administration in the ordinary course of business in order that work might go forward and employment be provided.

That is what the Minister of Public Works in the late government did; that is the course which the late government took. The Prime Minister went on to say:

I take it that was the purpose of the late government in doing that. So in respect to these undertakings they will be advertised and carried forward as public works under the provisions of the law.

So the Prime Minister himself there distinctly said, if I put the right construction on his words, that the money that was voted and earmarked for certain public works by the last parliament would be expended just as fast as tenders could be called for and contracts let.

I come back to the telegram which was sent by the secretary treasurer of the municipality. If I am misinformed I hope the Minister of Public Works will correct me, because I notice his deputy is sitting in front of him. May I say at this point that I have every admiration for the officials of the Department of Public Works. They are very courteous and if a man is at all reasonable in his demands they are always ready to do everything in their power to give service. I think I have always been reasonable. I am informed that no reply was received to the telegram sent by this secretary treasurer, who was authorized by his council and who knew the local situation. I do not think it is fair to treat any public body in that manner. If I am wrong in my statement I would ask the minister to correct me. If the minister will say it was answered I do not wish to proceed further.

Mr. STEWART (Leeds): I cannot answer my hon. friend without having the file before me. However I assure him that we in the department are particularly careful to answer every communication received.

Mr. BEAUBIEN: My information may be wrong, but that is the word I received before the opening of this session from the secretary treasurer of the municipality. It seems to me that we are leaving our institutions open to criticism and to the possibility of their losing the respect they should at all times command. I repeat, and it cannot be repeated too often, that the will of the last parliament was expressed to the effect that this building should be constructed at the point I have mentioned, that was not done. The question of reduced revenues, and of expenditure being made out of revenue, is no answer; it is not even an excuse. When the Minister of Public Works sat on this side of the house he knew that the revenues were decreasing. He could learn that from the reports issued by the audit department; he could see it in the reduction of customs and excise collections in the Department of National Revenue. He knew that railway company revenues were decreasing, and everybody knew that by the end of the year there would be a considerable reduction in receipts. At the same time this amount was voted and was not expended.

During the last election campaign what was the cry of the Conservative candidates in the province of Manitoba? I do not know whether all used the same expressions in regard to the late government of the Right Hon. W. L. Mackenzie King, but I know some of them said "What is the use of sending this man back to Ottawa? He has been there for a good many years, yet Manitoba has received very little money for expenditure on public works". What is the difference today? In the last session of the last parliament $382,600 was voted for the province of Manitoba.

An hon. MEMBER: There was an election coming on.

Mr. BEAUBIEN: It does not matter whether there was an election or not. It was the will of parliament that that amount of money should be voted, and I wonder why my hon. friends who were then on this side of the house did not oppose the vote. Will the minister tell me why he did not oppose it? I have stated the accusation made against us in the province of Manitoba. In the present estimates $81,700 is allocated to the province of Manitoba to be spent during the coming year. I wonder how my hon. friends from Manitoba sitting on the other side of the house can justify that.

Mr. HANSON (York-Sunbury): Economy

Mr. BEAUBIEN: Economy?

Mr. HANSON (York-Sunbury): Yes.

Mr. VENIOT: There was no economy in my county.

Mr. BEAUBIEN: Economy was not practised when $2,000,000 was authorized to be spent on the Welland canal.

Mr. HANSON (York-Sunbury): That is an expenditure under a contract.

An hon. MEMBER: Do not argue with him.

Mr. BEAUBIEN: Last year $382,600 was authorized and only $81,700 this year. Then what happened? Out of the $380,000 which was voted last year for public buildings, only $243,000 was spent, leaving a balance unspent of $131,000. For harbours and rivers $124,000 was voted, $93,000 was spent and $31,000 not spent. Again the will of parliament was not carried out.

Again, as compared with the province of Ontario the province of Manitoba was discriminated against. I make that statement and take the full responsibility for it. I do not blame the minister, but there seems to be some kind of influence at work which has the effect of discriminating against certain provinces. But according to figures quoted to-day between $5,000,000 and $6,000,000 voted last year was not spent. At the same time a special session of parliament is called and hon. members are brought from the western provinces to Ottawa. What for? To vote $20,000,000 for the relief of unemployment. Well, would not the expenditure of $162,000 voted by the last parliament for the province of Manitoba have helped the unemployment situation? Manitoba received about $900,000 from the relief fund, and if it had received that $162,000 and was able to take care of the unemployment situation with the $900,000, it could have done it with $140,000 less than it did. The $20,000,000 voted by parliament to relieve unemployment caused the rural municipalities who could not afford it to borrow money and to continue in their public expenditures. It caused those municipalities to go into debt in order to comply with the regulations and make up their share of the $900,000 expenditures received by the province of Manitoba. At the same time there was money voted by parliament which would not have cost the municipalities one cent. In those localities the expenditure of this money would have relieved the unemployment situation and the municipalities would not have had to make further expenditures.

I have just about completed my remarks. It seems to me that the will of parliament has been thrown to one side. Members of parliament are being made the laughing stock of the country. One ministry goes out, another comes in, and work which was provided for by the preceding ministry is not proceeded with.

Mr. STEWART (Leeds): Mr. Chairman, my hon. friend started out with a wrong assumption. He is arguing on the wrong basis, and having so started the rest of his argument is unsound. He says that because parliament votes a particular sum of money for a certain work it is obliged to carry out that work in the year stipulated. If my hon. friend will go through the estimates of past years he will find that that practice has never been followed. All that is meant by a vote of money in parliament is to place at the disposal of the government a certain sum to be used when the government finds it practicable to proceed with the work.

Mr. BEAUBIEN: May I ask a question at this point?

Mr. STEWART (Leeds): Yes.

Mr. BEAUBIEN: What is the principle of responsible government? When a minister presents an estimate before parliament it should be reasonable for us to assume that he has examined the situation and that he is convinced of the necessity of the expenditure.

Mr. STEWART (Leeds): Let me assure the hon. gentleman that a minister submits his estimates in good faith and based always upon information that has been supplied to him. Sometimes that information is imperfect or incomplete, and a minister always has the right to review the situation in the light of subsequent developments. My hon. friend seems to suggest that this is the first time that votes have been inserted in the estimates and not expended.

Mr. BEAUBIEN: I did not make that statement. The Prime Minister accused me of knowing nothing else but "last July," but I know something more than that.

Mr. STEWART (Leeds): I want to make it perfectly clear that with respect to the expenditure of public money no course has been pursued by this government different from that pursued by any government that has preceded it. Let me call my hon. friend's attention to the fact that in the fiscal year 1929-30 there was an appropriation of over $30,000,000 but only $25,000,000 was expended; therefore the minister who preceded me did not use the appropriation to the extent of some $5,000,000. In the fiscal year 1928-29 he asked for and was voted $27,000,000 odd, and he spent only $20,000,000. So my hon. friend will see that the same course has been pursued by other ministers.

Mr. BEAUBIEN: I am not accusing any previous administration at all.

An hon. MEMBER: Why did you not blame them?

Mr. STEWART (Leeds): I submit that the course I have taken is perfectly sound and sane. The mere fact that on certain information and at the request of members of parliament or others a certain sum is put in the estimates, does not obligate the government to make the expenditure under all circumstances. Let us get down to this particular case. Dominion City is a small, though no doubt an important place. My hon. friend has in season and out of season vigorously urged the claims of Dominion City, but, as he has said, the postal revenue is only about $1,300, and there are no other public services there that require accommodation. The postmaster's salary absorbs practically all the revenue. If we were to erect a post office building at even the small expenditure of $10,000 that he mentions—and I am sure that that would not suffice to complete the building and furnish it—we would have an annual expenditure for interest on capital outlay, maintenance and caretaker's wages, and with these added expenses there would be a substantial debit balance each year against that particular building.

Mr. BEAUBIEN: Have all the public buildings a credit balance to-day?

Mr. STEWART (Leeds): I have not any doubt that there is a debit balance against several of them. But in the smaller places expenditures on public buildings for services that will show a deficit, are, in my opinion not warranted at this time. When revenues are abundant we may be able to overlook these local deficits, but I think my hon. friend will agree that any government with a sense of responsibility must take into consideration the prevailing conditions, the demand for public buildings, and all the other demands that are made upon it, and if it is to command the confidence of the people it must in large measure cut its coat according to the cloth. My hon. friend has again referred to the Welland canal. I submit there is no parallel between the two cases.

Mr. BEAUBIEN: How much by way of dividend is the Welland canal paying to-day?

Mr. STEWART (Leeds): I hope the Welland canal will pay very substantial dividends to western Canada. There was no part of the Dominion louder in its demand for the construction of the Welland canal than western Canada.

Mr. BEAUBIEN: I have no objection to the Welland canal.

[Mr. Beaubien.]

Mr. STEWART (Leeds): A very substantial part of the motive behind the construction of the Welland canal was to get the western wheat to the seaboard as cheaply as possible. The Welland canal is a great public work upon which a very large expenditure has been made. The continuation of such a great national undertaking is not at all comparable with the erection of a small post office building. The Welland canal had to be completed, and I am sure that on reflection my hon. friend will agree that the government acted wisely and properly in continuing a great work, the completion of which is absolutely necessary from a national standpoint. Let me assure him again that there has been no discrimination, either on provincial or political lines; I do not know the political complexion of the tenderers or anything of that nature. In regard to relieving unemployment, as I said this afternoon, when you let a contract often you are disappointed in the amount of relief that is afforded local unemployment. We have had many complaints that a contractor has not considered local conditions, that he has brought men in from outside and has purchased his materials elsewhere. We have no control over a contractor in that regard. If we insist on his purchasing his materials locally, or employing local labour, he comes back with a claim for extras. I can assure my hon. friend that we will give his claim for a building at Dominion City careful consideration, but I really do not think it is warranted at the present time, and this is the only reason why it has not been proceeded with.

Mr. BEAUBIEN: I do not wish to delay the passing of this small vote for the province of Manitoba, but I cannot allow the minister's statement to go unanswered. In the first place, there was no guarantee that the $2,000,000 spent on the Welland canal would relieve unemployment. As he well says, it is very hard to say just how much local unemployment these public expenditures, especially when made under contract, do relieve, because the government has no control over the contractor with respect to whom he shall employ and where he shall purchase his materials. At the same time the Minister of Railways will not deny that he said in view of the unemployment situation the expenditure of the $2,000,000 on the Welland canal was perfectly justified. I think I am quoting the minister correctly; his remarks will be found in Hansard. The Department of Railways and Canals had no control over the contractor in that case with respect to where he secured his labour; he was free to get it in Toronto, Winnipeg or some place else. In a word, he was

under contract at so much a unit, and hired his men as he pleased. But there is no doubt that the Minister of Railways by expending that $2,000,000 on the Welland canal did relieve unemployment to a certain extent, and I congratulate him upon it. If there is unemployment in any locality, let us relieve it by public works if we possibly can. At the same time the Minister of Public Works cannot say that he is going to allow an expenditure of $2,000,000 on the Welland canal to relieve unemployment—according to the Minister of Railways—and yet contend that these expenditures on public works under contract do not relieve unemployment.

Mr. STEWART (Leeds): I said the expenditure did relieve unemployment to some extent, but the results were often disappointing.

Mr. BEAUBIEN: I accept the minister's explanation; I am sorry I misunderstood him. But why did he not let this contract for a paltry $7,000 to relieve local unemployment even if it did not wholly relieve it?

Let me inform the minister that my hon. friends opposite can use any statement they like in my riding; I have no objection; if I am licked I will take my licking, but I am going to make a good fight before I am licked. In my riding, however, my opponent said this building never would be constructed; he said "Beaubien got this amount put in the estimates just as a sham," and to me it seems very probable that my opponents in that district used their influence to stop the construction of this building. I will say this to the minister, that if this influence worked at all with him, they certainly are not making very many friends in that district.

Coming back to the revenue, however, I do not care if it was only $500. If the government establishes a postal service in a certain district it is bound to give that service, and the government knows just as the minister knows that many public buildings have been constructed by Conservatives and Liberal governments in places where the revenue did not warrant that construction, but conditions in the locality were such, because of the lack of a suitable building, that the construction was proceeded with. Suppose a storekeeper refuses to put the post office in his store, what would happen? Would the department close the post office? The minister knows he would receive protests from everyone if that happened, and so in many cases buildings have been constructed where the necessity was felt even though the revenue did not warrant it.

It has been said that previous governments have not spent the money which has been voted, and I have no excuse to offer in that regard. I am not here to find excuses for the last government; if they did not do it without very good reasons they were wrong, but that does not mean that the Minister of Public Works, who I know wants to be fair, should follow a similar course. When money is voted by parliament and it is possible to expend it without any trouble to the department, as was the case here, that money should be spent. Specifications were prepared and tenders were called, and the transfer of the property was being carried on. The municipality took the trouble to prepare the title and then, after telling me by telegram, by letter, and in personal conversation that the matter was still under consideration up until September 25, the whole thing is cut out and the project is dropped.

I still appeal to the minister's good heart and to everything about him that is good to take this matter into very, very serious consideration and to ascertain personally the conditions which obtain when a post office is in a store. The minister knows exactly what that means, especially in towns such as these. A farmer may owe a certain amount of money to the storekeeper; he may have a little change with which he wants to buy something at Eaton's or Simpson's. To get his money order he has to go to the storekeeper to whom he owes money, and while I do not say the people are dishonest, I do say it is very inconvenient. I hope the minister will take this into his very serious consideration, and between now and the time the supplementary estimates are brought down, I will try to have another interview with him and give further reasons why this building should be constructed.

Mr. MANION: In regard to the Welland Canal perhaps the hon. gentleman might be enlightened just a little. The Welland canal contracts were let, and the men were at work, under the old government. If the Welland canal work had stopped it would have meant throwing out of work two thousand employees who were carrying on at the time, which is a little different from a new contract. In addition to that, as my hon. friend has expressed it, the contractors were working at unit prices, and they could have carried on if they had chosen to do so. Most of them did so. So long as they were working on a unit contract they could carry on as long as they are willing to wait for their pay. In a sense we had no control over them, because

the contractors could have gone on and we would have had to pay them either by a supplementary estimate, as we did, or by a main estimate. Following the discussion of this matter some time ago I found that the late government sometimes followed that practice, and I do not criticize them for it. In connection with the Hudson Bay railway, at one time the contractors over-spent $1,700,000, which was not paid until the following year, exactly as we did in connection with the Welland canal. So it will be seen that this was in a different position from the matter to which my hon. friend has referred. We had the contract, and if the work had not been authorized it would have meant closing down all these activities. The work was on a unit basis, so we had practically no control over it.

May I point out another fact which the Minister of Public Works probably has pointed out, though I have not heard him do so today. The question has come up very often as to whether it would have been wiser for the Department of Public Works to go on and do a certain work or, in another way, use part of the $20,000,000 unemployment fund voted at the last session of parliament. It is worth remembering that if the Department of Public Works carries on a piece of work, we will say a $1,000,000 contract, the $1,000,000 is spent and in some cases it gives a good deal of employment. In other cases, however, it does not give so much employment. In dredging contracts, for example, it does not mean much in the way of employment, but in any event only $1,000,000 is spent. Under the $20,000,000 contract, the spending of $1,000,000 by the Dominion government brought about the expenditure of $3,000,000 in all, because the province added $1,000,000 and the municipality another $1,000,000. There was this added advantage, that the muuicipality which required assistance asked for it, because it had a lot of unemployment, and it undertook some public works such as sewers or sidewalks and contributed part of the cost, the balance being contributed by the province and the Dominion government, so there was a larger amount of work going on and a larger amount of money spent in the sections of the country needing unemployment relief, if they were willing to go forward and do their share, than otherwise might have been the case.

Mr. BEAUBIEN: I am very glad the minister has given that explanation. When I went back home at Easter the newspapers had advertised the fact that $2,000,000 had been voted by parliament for the Welland canal. Some of the people seemed to be under the impression that this $2,000,000 was voted while other public works, the money for which had been voted previously, had not been carried forward. I think that is a bad impression to have going throughout the country, because the people feel they are being discriminated against and I do not blame them, because they do not know all the details. The only difference between the project about which I am talking, this small building in Dominion City, and the Welland canal, is that the people engaged on the Welland canal were already employed and were about to be thrown out of employment if this money had not been spent, while in the other case the people were already unemployed. That is the only difference.

Mr. MANION: Except that the municipality could have come forward and secured assistance for the construction of public works, in cooperation with the province and the Dominion.

Mr. BEAUBIEN: I quite understand that, and this municipality did take a certain percentage of that relief fund, and had to make their own contribution to that work. They said to me, "An amount was voted by parliament and placed in the estimates for the construction of certain buildings here. Why should we have to borrow money to work in conjunction with this relief fund when there is public money already voted by the parliament of Canada?" Parliament at the special session voted $20,000,000 for unemployment. I do not object to that, but at the same time this amount was voted at the regular session and should have been expended. Most of these municipalities went into debt in order to take care of their unemployed under the $20,000,000 fund, in conjunction with the province and the Dominion government, while this money was voted and was not expended. Tenders had been called for; contracts were about ready to be let; plans and specifications were prepared, but nothing was done. There is a wrong impression among the people, and I think perhaps this discussion will clear it up in my riding at all events. However, the situation remains; money was voted by parliament during the regular session and was not expended, to the extent of $164,000 in Manitoba, yet we came back for the special session and voted still more money, which to my mind looks ridiculous.

Mr. HEAPS: These being Manitoba estimates, I wish to say a word or two. The Minister of Public Works has just made the statement that he is opposed to the erection

of public buildings where the revenue is too small to pay interest charges on capital expenditure. With that principle I am in accord, and I hope he will continue to carry it out not merely with respect to this building now under construction but as regards all other buildings, irrespective of the part of the country in which they are located. I am, myself, opposed to the erection of public buildings merely for the sake of putting them up, and unless buildings have some utility and can show some return for expenditures involved, then in the long run the country will be better off without them. But there is another aspect of the question to be considered. From statements made this afternoon by the minister I am led to infer that there will be certain other sums of money proposed to the house as a means of relieving in some way the unemployment situation. I am led to believe that from what the minister has said.

Mr. STEWART (Leeds): I did not make any such statement as that. It may be an inference my hon. friend is drawing—

Mr. HEAPS: I said so.

Mr. STEWART (Leeds):—and he can draw any inferences he likes. But that is not warranted by anything I said.

Mr. HEAPS: I so gathered, but I cannot see how the government can get out of it this session, even if they wanted to. However, I wish to distinguish between money voted by parliament for relief undertakings and money voted for government buildings. The voting of money by this house implies almost immediately that the provincial and municipal authorities will contribute approximately an equal amount. In that case, let me point out that there are to-day many municipalities that are not in a position, in view of the money they have spent, to meet a situation of that character. But there is to-day, to my own knowledge, in Manitoba and elsewhere, urgent need for certain public buildings. They are essential, and it would be a good policy, a matter of economy on the part of the federal government, to provide in the estimates for proceeding with the erection of such buildings fortwith. No minister in this house can stand in his place and say that I have ever gone to his department and asked for a cent for my constituency. I have not done so and I do not intend to. I do not go round asking for public buildings just to show my constituency that I have been on the job, hammering away at the departments, in order to get some credit for myself. I believe in putting up buildings where they are essential, and I certainly believe that in Winnipeg, and in the province of Manitoba at large, there is need for such buildings. The government might well proceed in that direction to relieve the unemployment situation. For example, an addition to the post office is long overdue. The quarters are cramped and they are unable to carry out the work in that efficient way which we have a right to expect. A site was purchased ten years ago and year after year we have waited for a vote of money to proceed with the erection of an addition to the post office. Had the government thought fit to proceed with that capital expenditure it would to-day, to a certain extent, relieve the situation in that district. Again, a new customs building is required, and if it is not put up this year it will have to be put next year or the year following. That is a federal undertaking in which the municipality is not expected to participate, and I submit that this is the time to proceed with the erection of that building. That is what I have been trying to impress upon the minister, and I hope that when the supplementary estimates are brought down he will again take into consideration the necessity for these buildings, not merely in Winnipeg but in every other part of Canada where the erection of buildings should be proceeded with, and where the work would help to relieve the unemployment situation. If we are to depend upon the municipalities to pay one third of the cost, some of these works will not be proceeded with. I repeat—because I cannot put it too strongly—that these works are essential; moreover, they would be productive. And it is only a question of putting them up now rather than later on, a few years hence. I trust that between now and the time the supplementary estimates are down the minister will have taken the matter further into consideration.

Mr. CHAPLIN: I did not intend to say anything in this debate, but I was somewhat apprehensive, when the hon. member for Provencher so strongly pressed him, that the minister might in his inexperience make him some promise. I agree with the hon. member for Provencher that when money is voted by parliament it has a right to be spent where it is voted; and having that in mind, I wish to call the attention of the minister to the fact that some years ago the gentlemen in his department advised the late government to build an addition to the post office at St. Catharines. And to the member for Provencher I will say that that vote appeared three times in the estimates.

Mr. BEAUBIEN: How much was the vote?

Mr. CHAPLIN: I do not think that signifies; it was a matter of twenty or thirty thousand dollars. But it is a question of

principle. Now I have never asked them since to put that vote in, notwithstanding that it was needed. This was the report from the department. It was kept out by somebody, and not particularly in the public interest either.

Mr. BEAUBIEN: Is it in this year?

Mr. CHAPLIN: No, it is not in this year; I have never asked the minister to put it in either. I knew the circumstances, I knew the situation, and I would not ask him to put it in.

Mr. MERCIER (St. Henri): Why?

Mr. CHAPLIN: For the reason given, that we can wait for such things until conditions are better.

Mr. McINTOSH: It may be a long time.

Mr. CHAPLIN: We may wait a long time, but my friend will wait longer.

Mr. MERCIER (St. Henri): How does the minister explain that there are so many other post office items in the estimates?

Mr. STEWART (Leeds): My hon. friend from Provencher has one impression which is not quite correct, and that is, that some communications were sent asking that the building should not be proceeded with. Let me assure him that there were no such communications Every communication received has been along the line of urging the construction of the building. Friends of his and friends of ours and every other interest have all so represented. Then he spoke about a telegram which was not answered. I find that it was answered by a letter on a later date.

Mr. BEAUBIEN: The hon. member for Lincoln substantiated the remarks I made to the effect that public money voted should be spent in the place for which it is destined. He is right. I do not care what government was in power; if money was placed in the estimates for a public building in St. Catharines and voted by parliament, that work should have been proceeded with. I have every sympathy with the hon. member; he and I are in agreement on that. The Minister of Public Works has spoken of falling revenues and the necessity for curtailing public expenditures, especially on public buildings, and he has been supported strongly by the hon. member for Lincoln. I see in the estimates for Manitoba the sum of $25,000 for The Pas, for a public building. I have no objection to a public building being constructed there; I think it is needed. But I do not think the minister because of falling revenues can justify the application of economy to one district and not to another. He claims that the drop in revenues has prevented his spending $6,500 in my district. The revenues have fallen much more since September 25, the last date I heard of this; yet we find an item of $25,000 in the estimates for The Pas. I repeat, I have no objection to that item; at the same time, I do not think the minister is consistent. If he is going to stop the construction of public buildings because of falling revenue, he should stop it all over the country and not in one part. There is another item for Oak Lake; that item is all right because the building is under construction, but if the excuse is offered that falling revenues will not permit the construction of buildings in one part of the country, the same should apply to other parts. I know that the revenue at The Pas is more than that of the town I speak of, but I do not think the difference in revenue justifies an expenditure of $25,000 in one place and a refusal to construct a public building in the other.

Mr. STEWART (Leeds): The revenues at Dominion City would not be sufficient to pay for the cost of this building, in fact would not go beyond the bare maintenance of it. The postal revenue at The Pas is $25,526 and the custom revenue amounts to $301,207, yet they have no public building at that point. Surely my hon. friend will agree that the cases are different.

Mr. BEAUBIEN: I admitted that the revenue is greater at The Pas than it is at the place I spoke of. The hon. member for Lincoln (Mr. Chaplin) claimed he was discriminated against in the case of St. Catharines.

An hon. MEMBER: It is on the map.

Mr. STITT (Nelson): Mr. Chairman, perhaps I might be permitted to give a few words of enlightenment to the hon. member for Provencher (Mr. Beaubien). The post office at The Pas does more business in one month than the post office at Dominion City does in five years. The north country is growing continually and provision must be made for expansion. The mail for 10,000 people is handled through The Pas post office. The figures as to revenue have been given by the minister. The work of the customs department is done in a room 12 feet by 14 feet in the officer's private residence. In addition to that, we have an Indian office which administers about ten Indian reservations. We have mounted police stationed there and the officer is forced to use one of the rooms in his house for a cell. We have

been trying to get this public building for the last nine years and not successful simply because we did not have any representation in the house.

Mr. McINTOSH: You had representation.

Mr. STITT (Nelson): We in the north did not have any representation in this house. The hon. member at that time, Mr. Bird, represented Swan River valley, not the northern part of his constituency. He was a very useful member to the government then in power.

An hon. MEMBER: No, he was not; he was more of a Tory.

Mr. STITT (Nelson): He worked with the government then in power, but did not procure anything for his constituency, even though he did vote inadvertently. I am quite satisfied that this item of $25,000 will no more than start this building. I for one will not be satisfied with merely $25,000 for a public building in The Pas.

An hon. MEMBER: How much do you want?

Mr. STITT (Nelson): That is only enough for the basement or probably the first storey. This afternoon the hon. member for Rimouski was complaining that the government was paying too much rent for a building in his constituency. I would like to draw the attention of the committee to the rent that has been paid for years for the present post office in The Pas. It is a building 30 feet by 40 feet which could not be called anything else but a rabbit hutch. The government has been paying $300 per month for that building, which could not be rented to anybody else for $75. I feel sure of my ground when I say that if that building were put under the hammer it would not sell for the amount of one year's rental. The hon. member for Rimouski is not the only one who has been affected by high rentals for buildings. I hope the minister proceeds to construct this building at the earliest possible moment, because there is no town in this Dominion which needs a public building as does The Pas.

An hon. MEMBER: Where is that?

Mr. STITT (Nelson): When expenditures are mentioned for the north, hon. members hold up their hands in horror. That remark applies to hon. members on this side as well as on the other side of the chamber. Eastern and western members have been looking to the south so long that they have developed an inferiority complex; if this country is going to develop they had better do an about-turn and look northward for a while.

Mr. BEAUBIEN: I do not want the hon. member for Nelson to leave the impression that I am opposing this item. I have been at The Pas and I have some good friends there. I know it is a growing community; there are wonderful prospects for the northern country, and the eyes of Canada will more than ever turn in that direction. However, the hon. member has proved my point; he is on the right side of politics, therefore he is getting his building right now. He said that his predecessor in office could not get this building; he was not on the right side, but as soon as a member was on the right side, the vote was put in the estimates. I repeat again that if the minister is adopting in respect of certain ridings the principle that because of falling revenues he is prevented from carrying out public works for which the money was voted in a previous parliament, he should adopt the same principle for other ridings. Dominion City needs a public building, even if the revenue is one one-hundredth the revenue of The Pas. The people are entitled to proper accommodation, and there is no reason why they should not get it. I do not want the hon. member to create the impression that I am against the vote for The Pas, because I believe it is the coming city of western Canada.

Mr. BOWMAN: Will the minister give us the particulars of the item for Dominion public buildings, $30,000?

Mr. STEWART (Leeds): This is an item which appears from year to year to cover repairs, rentals and other incidental expenses in connection with all public buildings in Manitoba.

Item agreed to.

PUBLIC BUILDING—SASKATCHEWAN

Melville—Government's share of cost of local improvements, $1,050.

Mr. MOTHERWELL: I was just wondering, Mr. Chairman, what this vast sum was for, whether it was for grading around the new post office or for fixing up the sidewalks.

Mr. STEWART (Leeds): This amount is to provide for the payment of the government's share of the cost of a concrete sidewalk on Fourth avenue, and of a sewer on Main street, fronting the Melville public building.

Mr MOTHERWELL: That is what I thought it was for. I was wondering if the government intends to finish the post office building. Reference to the contract and to the files and plans will indicate that provision was made for a tower clock. The building is finished except for that tower clock, which will involve a separate contract in itself, just as separate contracts are made for fixtures for the building. We are very proud of this building. It is a very creditable building for the purpose for which it was erected, but we do not like to see those three vacant places where the clock should be. If the clock is not put in, provision will have to be made for boarding up the opening to keep the weather out. I understand that the cost of the clock would be approximately $1,000. It may be said that in these hard times we should not spend $1,000 on a clock. Well, in that case, something else will have to be done to keep the weather out, and the new government will be advertised as not finishing a building that was started by the former government. I know that my hon. friend the minister does not want to be put in that position. The people of that thriving town are very desirous of having the work finished. If the minister will consult with his deputy he will find that the original plans called for a clock, and I feel satisfied that he will carry out the original plans.

Mr. STEWART (Leeds): The construction of this building has just been finished. Provision has been made for a clock, as the hon. gentleman said. This government desires to be up to the minute and on time—

An hon. MEMBER: Daylight saving.

Mr. STEWART (Leeds): Yes, and every other kind of saving, but notwithstanding that, we shall endeavour to provide a clock for the hon. gentleman's building.

Mr. MOTHERWELL: There is no provision for it in these estimates that I can see.

Mr. STEWART (Leeds): It can come out of the general vote if circumstances permit. We will take it into consideration.

Mr. MOTHERWELL: Thank you. I will report that to the mayor and residents of the town of Melville.

With reference to the item "Appropriations not required for 1931-32," I notice that the amount being spent in Saskatchewan for public buildings this year is only one-sixth of what was spent last year, and I would like to have some explanation of that very substantial reduction. Considerable relief was required in Saskatchewan out of the $20,000,000 voted at the special session, and if public buildings are looked upon as a means of providing relief why reduce the aggregate expenditure for public buildings in Saskatchewan this year to one-sixth the amount spent last year?

Mr. STEWART (Leeds): In reply I can only repeat what I said this afternoon, that in the opinion of the government the construction of public buildings such as we have now under consideration is not the most effective or the most desirable way of providing unemployment relief. It cannot be denied that it does in a measure afford relief for unemployment, but a specific appropriation of a specific amount at a particular place may not afford the relief that a fund not so earmarked would afford. For instance, we might be constructing a building where relief was not really necessary at all. The government has adopted the other policy, and I think it has worked well. We are endeavouring to keep within our revenues because our expenditures are made from the revenues. I think my hon. friend will appreciate the importance of a government having some regard to the amount of the revenue at its disposal and endeavouring to balance its budget and keep its expenditure within reasonable limits. That is why we are reducing this expenditure.

Mr. MOTHERWELL: I think that governments, like people, should keep within their revenues if at all possible. I quite appreciate that and approve of it, but I wish to point out that a similar reduction is not to be found in the expenditure for public buildings in the other provinces. In the main, I think my hon. friend is quite right, that perhaps this is not the best possible way of giving relief, but still it is one way. The vote for Saskatchewan this year is just one-sixth of what it was the year before, and I cannot understand why that should be so with regard to Saskatchewan and not with regard to the other provinces. I am not suggesting that it is being done for political purposes, because after all the parties in Saskatchewan are about equal in strength at the present moment, so it must be for some other reason than that. I do not know what the reason is. There does not seem to be any particular basis for such a substantial reduction in Saskatchewan as compared with other eastern provinces.

Mr. STEWART (Leeds): I cannot add anything to the explanation which I have made so often during this discussion as to

the reasons for these reductions. My hon friend asked as to the appropriations not required. The appropriation for Saskatchewan was $609,500, and the expenditure was $537,323. Certain buildings were not completed, and one or two others were not undertaken. The details are as follows:

PUBLIC BUILDINGS
Saskatchewan

Appropriations—Expenditure—Remarks
Yorkton public building—addition, $3,000; $1.650.40; completed.
Wilkie—public building, $40,000; $37,780.77; completed.
Saskatoon—public building, $445,000; $405,-583.14; completed.
North Battleford — immigration building, $30.000; $26.132.37; completed.
Indian Head—forestry building—addition, $8.000; $7,199.42; completed.
Melville—public building, $31,000; $31,000; completed.
Biggar—public building, $10,000; nil; not undertaken.
Canora—public building, $20,000; $17,765.69; completed.
Arcola—public building, $12,000; $158.29; not undertaken.

Mr. MOTHERWELL: All right.

Mr. DONNELLY: I agree with the minister that the erection of public buildings does relieve unemployment. It may not be the best method of relief, but to a certain extent it does help. I agree also with the hon. member for North Winnipeg, that public buildings should be built only where they are needed. In a growing and young country such as Saskatchewan many public buildings are needed. I can state that in every constituency in Saskatchewan public buildings are required. Looking through the estimates one thing impressed me more than anything else. I have sat in this house for the last four or five weeks and have heard people talk about a depression existing in this country. The people who talked most about the depression were the farmers from the western prairies, and more particularly from Saskatchewan. There is more talk about unemployment and depression in western Canada than anywhere else. Bearing that in mind I would ask hon. members to look at the estimates for public buildings. We find that moneys are not to be expended where they should be; public buildings are not to be located where they should be located. In the year 1930, $302,000 was voted for public buildings in Nova Scotia; this year the figure is $261,000, a reduction of 15 per cent. In New Brunswick there was an appropriation of $81,125 last year, and this year it is $175.900, an increase of nearly 100 per cent. Then we come to the province of Quebec, for which last year the appropriation was $1,509,-695, while this year it is $1,076,900, a decrease of 30 per cent. Last year the figure for Ontario was $2,616,323.95; this year it is $1,379,400, a decrease of about 50 per cent. Now we come to the western provinces, where we hear of hard times and depression. Last year $382,600 was voted for public buildings for Manitoba; this year the amount is only $81,700, a decrease of 80 per cent. That decrease occurs where there is unemployment and extreme depression.

Mr. SPENCE: There was too much voted last year.

Mr. MOTHERWELL: That is a decrease of more than 80 per cent; it is about 300 per cent.

Mr. DONNELLY: Well, I did not figure it out very closely. Then we come to the province of Saskatchewan, and we find that last year $1,010,500 was voted; this year the amount is $176,050.

Mr. MOTHERWELL: That is about one-sixth.

Mr. DONNELLY: That is a decrease of 80 per cent, or a little more. In that province there is more unemployment than in any other spot in Canada. For Alberta the amount last year was $1,676,000; this year it is $521,000. Again there is a reduction of at least 70 per cent. For British Columbia the amount was $203,300 last year and it is only $81,000 this year. In other words, where unemployment is greatest we find the least money being expended by this government to help unemployment conditions. I think I may state frankly that in my constituency there is more depression than in any other part of western Canada. During the past election campaign my Conservative opponent stated on numerous occasions "If I am elected the Conservative government will build a post office at Assiniboia." Undoubtedly a post office was needed at that point. I ask this government: when are you going to build it? I would like to see it, but I do not see anything in the estimates to provide for such a building. The construction of a post office building will undoubtedly help the unemployment problem in that vicinity. For two years there has been no crop and there is no sign of a crop this year. The people are not sowing their seeds; they cannot sow. The wind is blowing; the land is drying out, and there is no chance of getting their seed back. Those people are looking for relief, and some measure of assistance will have to be given them. Why not erect a public building which is very much needed and give them relief in that way?

Mr. STEWART (Leeds): I agree with my hon. friend that the need for public buildings throughout the Dominion of Canada is very great indeed. Demands are numerous, pressing and urgent. If my hon. friend but knew the total moneys required he would realize how severe the pressure is. The department is endeavouring gradually to overtake the demands for public buildings and as a result year by year the amounts expended are increasing. In the year 1922 the total amount expended was only $14,000,000; in 1923 it was $16,000,000. I am giving round figures. In 1924-25 the figure was $18,000,000. In 1925-26 it amounted to $17,000,000. In 1926-27 it was $13,000,000. In 1927-28 it was $17,000,000; in 1928-29 it was $20,000 000; in 1929-30 it was $25,000,000 and in 1930-31 it was $32,000,000. Hon. members will observe that the expenditure is progressing all the time, and the department is endeavouring to overtake the requirements.

Let me suggest to my hon. friend that very little is gained by comparing the expenditure of different provinces in any particular years. Very heavy expenditures may be incurred in a given year in a particular province because certain large buildings are under construction. As an example may I point out that last year in the city of Saskatoon, Saskatchewan, a building was completed at a cost of $750,000. Another building costing $250,000 was erected in Regina. Expenditures such as those throw comparisons out of balance. Very little can be deduced by comparing one year with another without due consideration to the work under construction. It will be found that from year to year there are discrepancies in expenditures owing to large undertakings in particular localities.

Mr. McINTOSH: Mr. Chairman, I was somewhat impressed by the appeal made by the hon. member for Selkirk (Mr. Stitt) with regard to the northern portions of western Canada. I represent in this house a riding in the northern part of Saskatchewan, and while I have no complaint to make of the development of that portion of the province during the last five or ten years and no complaint in connection with the erection of public buildings necessary to promote that development, yet when the items for Saskatchewan are under consideration I hope the minister will listen to the appeals made with regard to the northern portion not only of Saskatchewan but also of Manitoba, Alberta, and British Columbia. So far as the middle west is concerned, I would say that the portion of country running in a northwesterly direction after you leave Saskatoon and cross the North Saskatchewan river is the coming portion of that part of the Dominion. There can be no question that that country has all the possibilities of a great future. There is water power, lumber, timber; there are wheat areas and mixed farming areas. Hon. members know what that means. We know that when there is an impetus given to the building up of this great Dominion, the northland more than ever must come into its own, depression or no depression. Therefore I urge that that part of Canada be given the necessary facilities in the way of post offices and other public buildings, for it is vitally important for the minister in charge of the Department of Public Works to be at all times on the alert in helping forward the development of the great northern areas of the western provinces. Personally I believe the hon. minister will do his best in this respect.

During the discussion on the omission of an appropriation for a post office building in Dominion City, in the riding of the hon. member for Provencher (Mr. Beaubien) I understood the minister to say that the demand for the building of the Welland canal came largely from western Canada. May I tell him that I think he is not quite correct. True, the demand came from the west in the sense that it came from the southern parts of Saskatchewan and Manitoba, but the northern and middle portions of the three western provinces were not greatly concerned about the undertaking. I admit that they did not knock the proposition, but this was because they regarded it from a national standpoint—as all great public undertakings should be regarded—and to-day they ask the rest of Canada to be nationally minded with regard to the completion of the Hudson Bay route. We expect the terminal and other facilities at Churchill to be completed so that every chance may be given to demonstrate the feasibility of this great undertaking to provide for our products an outlet to the markets of the world. May I add that western Canada can always be depened upon to regard all national undertakings from a national viewpoint.

The hon. member for Willow Bunch (Mr. Donnelly) has drawn attention to the small appropriation for Saskatchewan of only $176,000 as compared with the appropriation last year of $1,000,000 odd, or a decrease of 80 per cent. In the case of Manitoba there is approximately a decrease in appropriation of 28 per cent. There is no doubt about the importance of undertaking public buildings in order to relieve unemployment. In this

connection it is significant that Germany has decided to spend more money on public undertakings of a national character to do away with unemployment. I think this would be an equally sound course for Canada to take, for I believe if we appropriate funds for the erection of public buildings where they are really required, not only will the expenditure relieve unemployment, but it will help to build up our country as a whole. While the minister holds office—I am not sure how long that will be—

Some hon. MEMBERS: A long time.

Mr. McINTOSH: Well, whether short or long there is no question of the importance of being on the job in looking after the requirements of northern Saskatchewan, northern Alberta and northern Manitoba—

Some hon. MEMBERS: And northern British Columbia.

Mr. McINTOSH: Yes, and northern British Columbia, with respect to public buildings in order that the various federal services may be carried on efficiently and with proper consideration for the convenience of the public.

Mr. STEWART (Leeds): I beg to assure my hon. friend that in respect to northern British Columbia, northern Alberta, northern Saskatchewan, northern Manitoba, northern Ontario, northern Quebec, northern New Brunswick, northern Nova Scotia, northern Prince Edward Island—

Mr. McINTOSH: The whole north.

Mr. STEWART (Leeds): Right up to the north pole.

Mr. McINTOSH: That's the idea.

Mr. STEWART (Leeds): I agree with my hon. friend that if, standing here to-night, we could foresee just where unemployment is going to be acute next winter, and could appropriate public money to be spent in each particular place, we would be helping to relieve that impending condition. But, as he knows, we have to come to this house with a specific appropriation for a particular point, and that appropriation cannot be diverted to any other point, no matter how badly its expenditure is needed there, or how much more insistent the demand may be for it. The appropriation is earmarked and must be spent at the point specified. We have to be careful of the appropriations we ask for in view of the many demands that we are not able to meet. I think my hon. friend can recall an expenditure of about $25,000 that was made in his constituency last year. This was for an immigration hall, which now is not needed at all.

Mr. HANBURY: Sell it to Dominion City.

Mr. STEWART (Leeds): The mounted police are now asking permission to use it. So discretion must be exercised in making appropriations, and even using the best judgment mistakes may be made.

Mr. McKENZIE (Assiniboia): I do not notice in these estimates an item of $12,000 that last year was voted for a public building at Arcola, although the minister informed the hon. member for Melville (Mr. Motherwell) that there were one or two buildings that would not be proceeded with. Why has he discriminated against the town of Arcola? Arcola is a divisional point on the Canadian Pacific Railway, the land titles office is located there, it is a judicial centre, and, in short, an important place. I quite appreciate what the hon. minister has said with regard to the necessity for economy, but this is only a small item of $12,000. And let me refer again to the estimates for Ontario. I notice for Thorold, there is an appropriation of $4,000 for a site for a public building. Why should the department be buying a site for a public building at Thorold when in Arcola the site has already been acquired and an appropriation made for the building in last year's estimates? Specifications were prepared and tenders called for the building. I should like the minister to tell me why the building was not proceeded with. Perhaps the minister will also inform me who objected to the proposed expenditure.

Mr. STEWART (Leeds): I did mention, in replying to the member for Melville, that the Arcola building was not being proceeded with. I can give my hon. friend a pretty good reason why. In the 1930-31 estimates there was an appropriation of $12,000 for the building. Tenders for construction were called for. The following tenders were received:

1. Bird, Woodall & Simpson, Ltd., Regina, $27,870.
2. Wilson & Wilson Ltd., Regina, $28,500.
3. Smith Bros. & Wilson, Ltd., Regina, $29,743.
4. A. O. Chiclens, Indian Head, $29,800.
5. Lockwood Bros., Regina, $30,173.
6. Poole Construction Company, Ltd., $30,200.
7. Macaw and MacDonald, Winnipeg, $30,617.40.
8. Weyburn Sash and Door Factory, Ltd., Regina, $31,328.80.
9. Hipperson Construction Company, Regina, $31,599.84.
10. W. H. McDiarmid, Regina, $32,887.
11. Broders Ltd., Regina, $33,000.

So there we were with an appropriation of only $12,000, upon which my hon. friend thinks we should have entered into an obligation to spend $27,870. With the revenues as I have stated, we did not feel ourselves warranted in incurring that obligation.

Mr. McKENZIE (Assiniboia): I never anticipated, Mr. Chairman, that $12,000 would complete this building, and I do not think that was the intention of the former administration. We did estimate that it would probably cost between $25,000 and $30,000; that was what I believe was anticipated. Did the specifications that were sent out specify any particular amount which was to be expended? Was there any limit imposed?

Mr. STEWART (Leeds): No; specifications never give any information as to the amount of the government's estimate or what we expect the building will cost.

Mr. McKENZIE (Assiniboia): What was the government's estimate?

Mr. STEWART (Leeds): I am sorry but I have not that information.

Mr. McKENZIE (Assiniboia): I do not want to repeat what has been said with regard to conditions generally, but the minister did say that if he could anticipate where the greatest relief would be needed next year with regard to the unemployment situation he would know better how to act. I can assure him that he will be perfectly safe in placing this $12,000 back in the estimates this year, because that was what we anticipated would be spent last year, and we thought the additional amount required would be voted this year. So far as the unemployment situation is concerned, I think the minister will be perfectly safe in placing $12,000 in the supplementary estimates to proceed with this building, since the site has been procured. The site was purchased at a very reasonable figure, I am sure; I believe it only cost about $200, if I am not mistaken, which cannot be called extravagant. The people out there are very anxious for the building; there is need of it, and I would ask the minister to consider placing this amount back in the estimates for this year in order that this $12,000 may be expended and the building started this year, which would relieve the unemployment situation in that district.

Mr. McINTOSH: The Minister of Public Works made a statement in connection with the new immigration hall at North Battleford. I am very glad he made that statement. As I watched him when he was making it I felt that he was very anxious to give the house that information, and I am very glad the house and the country have received these details.

I might say, Mr. Chairman, that there was a new immigration hall built in North Battleford last year. North Battleford is one of the keys to the north country; Prince Albert is another and Edmonton is still another. There was a new immigration hall built at Edmonton which cost, I believe, about $75,000, while the hall at North Battleford cost between $25,000 and $30,000. The immigration hall at Prince Albert was completed the year before, and cost between $30,000 and $40,000. What do these expenditures mean? These immigration halls were undertaken largely because of the vision Canada had a few years ago with regard to a greater population. The war had built up a vast national debt, and the feeling had spread throughout the Dominion that we should have a greater population to bear that debt. Consequently not only the Conservative party but the Liberal party of the day felt that immigration was necessary. I am sure my hon. friend will remember the vision of immigration into this country given the house and the country a few years ago by the organizer for his own party, Mr. McRae. His proposition was that each year for ten years we should spend $30,000,000 on immigration, giving a total expenditure of $300,000,000. Can anyone wonder that when the party then in opposition, led by such men as the minister and the organizer of his party, went across Canada advocating greater immigration this vision was accepted and anticipated by these public buildings to accommodate those who were to come to this country?

I might say that personally I think the construction of that building in North Battleford was in order and I believe that every official of the Department of Public Works who knows anything about North Battleford and that north country will admit that fact. With regard to the old building I say to the minister that it was a disgrace to Canada to bring any mother or family from any part of the world for the purpose of settling in that north country and leave them overnight or for a week or more in that old building in North Battleford. That being the case certainly I set myself to do all I could to have a new immigration hall erected there, and I succeeded in having that building constructed. I believe the day is coming when, if we do not accept the vast scheme advocated by the Conservative party when in opposition in regard to immigration, at least we will need a greater population, and we are going to select that population from the best people outside of Canada. We have stopped immigration for the time being, but we have no proof that this is to be a permanent policy. It is only a temporary expedient, as the minister well knows. Consequently, when the time comes for immigration to flow into this country again that building, which is worth

the money which it cost any day in the year, will be there ready to take care of settlers going in to open up that vast northern hinterland, which will not only build up western Canada and start the flow of settlement northward in the western provinces, but which will also help to build up the entire country.

Mr. STEWART (Leeds): In answer to my hon. friend I wish to make it perfectly clear that I was not criticizing the construction of that building. I was simply pointing to it as an example of an expenditure of public money which, through a change of circumstances, is temporarily at least rendered unproductive and practically of no value. I do want to point out to my hon. friend, however, that while this building and the others he mentioned were being constructed, speeches were being delivered in this house against increased immigration into the provinces of Manitoba, Saskatchewan and Alberta. I have heard hon. members get up one after another and say, "We do not need any more immigration; it should be restricted and curtailed," and I am sure my hon. friend will recall those speeches also.

Mr. HANBURY: Does the minister suggest that this is the policy of the present Prime Minister?

Mr. STEWART (Leeds): I have no announcement to make with regard to the immigration policy of this government; that will come through the regular channels.

Mr. HANBURY: The minister says speeches were made against immigration at that time. Does he say that was the policy of the present Prime Minister at that time?

Mr. STEWART (Leeds): I have no statement to make in that connection.

Mr. DONNELLY: We all fully realize that there is great necessity for economy in Canada to-day because of our falling revenues, and I fully appreciate the position of the minister when he expresses the need for that economy. I do not wish to criticize the department in any way for the steps which have been taken along these lines. We must all fully realize also the great necessity for relieving unemployment, and the expenditure of $12,000 in connection with this building in Arcola, to which reference has been made by the hon. member for Assiniboia (Mr. McKenzie), would have helped to relieve unemployment in that district. There is no doubt that unemployment is more rampant in the west than anywhere else, and when the minister draws the line and says he cannot spend this money because it would probably mean the expenditure of $15,000 more, I would direct his attention to other places where, apparently forgetting economy, he is spending a good deal more. Take Fort William, for instance: we have an estimate of $50,000 there for a site for a public building. How much unemployment will that relieve? How many people will that put to work? The government is only buying land there, spending $50,000 for the purpose. Turn again to Thorold—$4,000 for a site there. To how many people will that give employment? Then look at Belleville; there we have an expenditure of $20,000, right in Ontario, just for a site or an addition to a site. I do not know how much land is going to be acquired, but it does not seem to be consistent that the government should spend money in these places where buildings are not going to be erected immediately, and neglect other places where construction could be proceeded with at once.

Mr. STEWART (Leeds): Circumstances differ. There are times when it is good economy to buy land even if you are not going to use it for some time. I think my hon. friend will agree with that. As to Arcola, I can only say that, with falling revenues and a very much larger expenditure than was provided for in the estimates, we did not feel warranted in proceeding.

Mr. McKENZIE (Assiniboia): Regarding the minister's statement that the expenditures are larger than were anticipated, I do not think that is right. I know that last year the Minister of Public Works did not anticipate that $12,000 would complete the building, but it was considered that that was all it would be possible to spend that year, because it was August before the tenders were called for and $12,000 was all it was felt could be expended for the time being. The minister says further that the revenues do not warrant this expenditure. I should like to have a comparison —not that I am going to object to any other expenditures that have been made—between the revenues, on the one hand, in the town of Deloraine, Manitoba, where there has been an expenditure already of $33,000—we do not know whether that will complete the contract —and Watrous, in Saskatchewan, where $50,000 has been spent, and, on the other hand, the revenues derived from Arcola. There is being spent in Watrous twice as much as we think would put up a proper building in Arcola. Does the revenue in Watrous warrant an expenditure of $50,000, which probably by the time the building is completed will increase to $60,000?

Mr. STEWART (Leeds): I am sorry I have not to-night the revenues of these different places. As to Watrous, we have not started any expenditures there yet. There has been a revote.

Mr. McKENZIE (Assiniboia): Yes, some $38,000. So that there has been no work done there yet. Has the site been purchased?

Mr. STEWART (Leeds): No.

Mr. McKENZIE (Assiniboia): Then why does the minister proceed in Watrous when he has no site, and not go ahead in Arcola where there is a site already purchased?

Mr. STEWART (Leeds): We have not proceeded with Watrous yet.

Mr. McKENZIE (Assiniboia): Apparently by this vote the minister intends to.

Mr. COWAN (Long Lake): In my opinion the building of the post office at Watrous should be proceeded with. We have a very unusual condition there and one which must be met. Hon. members may know—if they do not, they will know it before many years have passed—that Watrous has come to be known as the Carlsbad of Canada. It is located on the shore of Little Manitou lake, which is the most heavily mineralized body of water on the continent. The result is that a new health resort has rapidly grown up there. Last year thousands of people flocked to Watrous to get the benefits of the lake, and this year the crowds will be greater than ever. These thousands of people, in a town already large, a divisional point on the Canadian National Railways, do require postal service, and in my opinion it is necessary that this building be proceeded with. We must take care of the business that is arising in our country. To-day, the government of Saskatchewan, realizing what is taking place in Watrous, is building a new provincial park and also a beautiful chalet. I am not saying this merely to secure the votes of hon. members, but I want to point out that this chalet is being built for a definite purpose and is being properly furnished in consideration of the value of Watrous to the people. This chalet will be a place which any prominent man, either in Canada or from any other part of the British Empire, might visit—a place fit for the Prince of Wales or any of our own cabinet ministers or members of parliament. There they will be the guests of the provincial government, on the shores of Little Manitou lake. I would invite hon. gentlemen to come out there.

Mr. STEWART (Edmonton): Are federal members invited as well?

[Mr. R. McKenzie.]

Mr. COWAN (Long Lake): Yes, I invite you all to come.

Mr. McKENZIE (Assiniboia): I had no intention of objecting to the vote for Watrous; I simply wanted the minister to give me a comparison of revenues as between Arcola and the other two places I mentioned. Will the minister furnish that information?

Mr. STEWART (Leeds): We will endeavour to get the information and give it to the hon. gentleman.

Mr. McINTOSH: I want to clear up one point made by the minister. I understand his point of view very well. He is under the impression that the public building in North Battleford to which he referred—in fact he made the statement—is at the present time non-productive and of no value. I do not admit that for a moment, but if that is the case, then the policy of his own party made it non-productive and of no value. Consequently the minister and the party of which he is a member must bear that responsibility. Another point in this connection: when the minister makes a statement of that kind he is taking a distinctly short view of the matter. If he would take the long view, the view of a larger Canada, an expanding Dominion, he would not make a statement of that kind. Again, the minister made the statement not long ago that land purchased for a public building in any centre in the west or in any other part of Canada was not a losing proposition: the department could hold it and later build on it. In his view, that was all right. If that is all right in the case of land bought by the department to be held for use later on, it must be all right in the case of land with a public building erected on it. There is no question about that. And the minister's own statement is to the effect that this building is as good as used departmentally at the present time. In that case it cannot be non-productive; it must be productive and of use to the government. It may not be 100 per cent productive, but just the same it is being put to use. I look forward, therefore, to the time when, with a new vision before Canada, with a new party in power, more than likely, there will be some of the best people outside of Canada coming to this country to build it up, and when that takes place, which will not be very long in coming, this building in North Battleford will be used.

Mr. STEWART (Leeds): I will say to my hon. friend that I have just as much faith in Canada as he has, and I have just as great a

vision of its future, but when he says that responsibility must be attributed to this government for present day conditions, then I differ with him. Canada began to slip long before this government came into office.

Mr. McINTOSH: I did not intend that statement to be taken to include conditions totally speaking; I was dealing with the immigration question and nothing else.

Mr. STEWART (Leeds): My answer is quite as applicable to that phase as it is to the general conditions. My hon. friend has made the statement that it is not wise to purchase land and then hold it. That depends upon the circumstances in each particular case. I have a case in mind where an extension to a public building is absolutely essential. Adjoining that building are structures of a very inferior character, and the land can be acquired at a reasonable price. Those buildings are such that improvements must be made in order to produce revenue, and if the site is not procured at this time and new buildings are erected on it we will have to spend a much larger sum if it should be necessary in the future to expropriate in order to provide room for expansion.

Mr. McINTOSH: I thank the hon. minister for his statement; I believe it is a very candid and fair statement, but I believe his statements hold true not only with regard to land purchased in the way mentioned, but also to public buildings erected thereon.

Mr. MacMILLAN (Saskatoon): With regard to the item, "Saskatoon, old post office building, improvements, under contract, $12,500," the late government entered into a contract to remodel this building in order to create a palatial home for a young friend of theirs. Perhaps that is why some hon. gentlemen cannot get the money for the buildings they are talking about.

Mr. McINTOSH: Is that why there is a revote for that amount?

Mr. MacMILLAN (Saskatoon): The late government entered into the contract.

Mr. McINTOSH: What is the present government going to do, carry out the contract?

Mr. MacMILLAN (Saskatoon): Don't ask me that question, the hon. member's government did that.

Mr. McINTOSH: The present government is introducing this item.

Mr. MacMILLAN (Saskatoon): My hon friend's government entered into the contract with Smith Brothers & Wilson Limited to remodel the building. As yet it has not been vacated by the post office. They were going to move into a new building just completed, but the hon. member's government entered into that contract so that this young man could do business when other men in similar lines of business were forced to get their own capital.

Mr. POWER: Will the minister bring down that contract? I would like very much to see it.

Mr. RALSTON: Who is the gentleman for whom the palatial home was being provided?

Mr. STEWART (Leeds): This amount of $12,500 is required for improvements to the old post office building at Saskatoon in order to provide satisfactory accommodation for Messrs. Caswell's Limited who have rented the whole of the main portion of the first floor and part of the basement at an annual rental of $7,800 for a term of ten years. The improvements are being performed under contract by Smith Brothers & Wilson Limited of Saskatoon for the sum of $10,700. The contract was awarded on August 6, 1930, just a day before the late government went out of office.

Mr. HANSON (Skeena): Were Smith Brothers & Wilson the lowest tenderers?

Mr. STEWART (Leeds): I think so.

Mr. HANSON (Skeena): Was the late government wrong in placing a contract with the lowest tenderers?

Mr. STEWART (Leeds): There were three tenderers and the lowest tenderer was Smith Brothers & Wilson. The tenders received were as follows:

Smith Brothers & Wilson Limited, Saskatoon, $10,700.
A. W. Heise Company Limited, Saskatoon, $12,390.
A. W. Cassidy & Company, Saskatoon, $14,294.

Mr. HANSON (Skeena): Is there anything wrong with that?

Mr, MACKENZIE (Vancouver): The hon. member for Saskatoon was very successful in creating a mystery, but the minister has given the committee a clear explanation.

Mr. McINTOSH: Does the hon. minister consider the rental to be paid for this building when it is completed as sufficient?

Mr. STEWART (Leeds): I am sorry but I am without that information. The lease was not entered into since this government came into office and we have had no occasion to review the matter.

Mr. MACKENZIE (Vancouver): I suggest that this item stand until the minister gets the file.

Mr. STEWART (Leeds): I can give my hon. friend all the information he requires at any time.

Mr. MACKENZIE (Vancouver): What about the contract? Is the government satisfied with the amount and the way in which it was obtained?

Mr. STEWART (Leeds): The contract was obtained in the usual way. We followed the practice which had been followed by my predecessor in office and accepted the lowest tender. Let me assure the committee now and for all time that that is the policy to which we will adhere. We are no respecters of persons; whoever makes the lowest tender is going to get the contract.

Mr. HANSON (Skeena): It is a credit to the present administration that they let the contract to the lowest tenderer.

Mr. STEWART (Leeds): We did not let this contract; it was let by the former administration.

Mr. MACKENZIE (Vancouver): It was to the lowest tenderer?

Mr. STEWART (Leeds): That is as I have said.

Item agreed to.

Alberta — Dominion public buildings — improvements, repairs, etc., $15,000.

Mr. BUCKLEY: Would the minister give us the particulars of this item?

Mr. STEWART (Leeds): This is an item which is carried year after year to cover needed repairs and unforeseen requirements for all the public buildings of the province. It covers such items as the renewal of a roof, repairs to plumbing, painting and general upkeep of the buildings.

Mr. SPEAKMAN: Mr. Chairman, while this item is under discussion I should like to discuss another matter in which a rather important principle is involved. Some little time ago I placed a question on the order paper with regard to the redecoration of the interior of the post office at Red Deer. I was informed that two men had tendered for the work, that the lowest tender had been accepted and the work had been completed. I have no exception to take to the man chosen to do the work, because he is a man of probity, a skilled worker, and his charge was a reasonable one. There is no question about that. My reason for placing the question on the order paper was this: In the little city of Red Deer three or four men carried on that kind of work. One of those men, a man of good standing, came to me and made this complaint. He said that when the tenders were called for, he, together with the two whose names are mentioned in the answer given, offered tenders for consideration and he was informed very definitely that instructions had been issued that no tenders could be accepted for consideration—the minister will appreciate the difference between, "accepted for consideration" and "accepted"—save from two whose names are given in the reply which I received. So this man went back with his tender in his pocket. According to him, his tender was refused all consideration because his name was not on the favoured list, and as supporting the right party. The minister will see, in the first place, that I am not making this statement as something of which I have personal knowledge I do not know first-hand that this man was refused consideration. I am simply passing on to the minister the complaint that was made to me in a very serious, not to say energetic, manner by a man whose probity there was no reason to doubt, a business man of good standing. If he was right in his complaint as to the treatment he received, he complained with very good reason. If that did happen, it is a very serious thing. It is not a matter of small political patronage which we know occasionally happens in the best of families and in the best of parties. But it is a serious matter from the public point of view if a tender which may be the lowest, and may be a satisfactory tender in every other respect, is not considered because of the political views of the would-be tenderer. I cannot expect the minister to know anything about it just now; indeed, I doubt if he ever knew anything about it; but I would ask him to look into the matter very closely and ascertain whether the answer given on April 22 to the question I placed on the order paper is the full and complete answer, and to assure himself that neither from anywhere in his department nor from anywhere connected with his department have such instructions or suggestions gone forth; because, as he will readily appreciate, such a matter strikes at the root of the decency and honesty of all public service. In bringing the matter to his attention I am not making any charge. I have watched the minister in the house, and I believe that he is efficient and fair and doing his best to carry on his work. I bring the matter to his

attention simply because the complaint was made to me in all seriousness by a business man of good standing, and because I think it should be looked into very carefully. If anything like that was done, steps should be taken to prevent its happening again. I shall be glad to give to the minister the name of the complainant and any other names concerned. He will appreciate, of course, why I am not making the name public at the moment.

Mr. STEWART (Leeds): I want to thank the hon. member for bringing this matter to my attention. I can assure him that no instructions of that character have been issued by the minister or by any person with his authority, and none will be. I shall certainly investigate the matter.

Item agreed to.

Drumheller—public building—under contract, $60,000.

Mr. GARLAND (Bow River): Is the work on this building progressing satisfactorily, and when will it be completed?

Mr. STEWART (Leeds): The contract was awarded on February 2, 1931. The date for completion is September 3, 1931. I should think at this season they will be going right ahead with the work, and we shall endeavour to see that it is completed on time.

Mr. GARLAND (Bow River): The original contractors are carrying on satisfactorily, I take it?

Mr. STEWART (Leeds): As far as I know.

Item agreed to.

Mr. LUCAS: Before we pass from the Alberta vote, may I say that some time ago the town of Viking sent a petition to the Minister of Public Works requesting a public building at that point. I notice that no such provision has been made in the estimates, and I would ask the minister just what attention that petition has received.

Mr. STEWART (Leeds): I can assure my hon. friend that I have many such petitions, and they have been the subject of much serious and anxious consideration by me. I regret that not more of them appear in the estimates. I will look this particular one up and see how it stands.

British Columbia—Dominion public buildings —improvements, repairs, etc., $45,000.

Mr. HANSON (Skeena): The constituency of Skeena, which I have the honour to represent, includes the city of Prince Rupert. Prince Rupert has no such thing as a federal public building. The federal government are just renting a shack which a reputable farmer would not use as a barn. We have had it for a number of years. A delegation from the city of Prince Rupert waited upon the government within the last two weeks, and I understand that they were given the assurance that when the present lease expires their representations will be given serious consideration. We have in Prince Rupert, which has a population of approximately 10,000, a provincial building which cost about $500,000. Prince Rupert, as some hon. members realize and others do not, occupies a strategic position as a British Pacific port at the terminus of the Transcontinental railway. I understand that the government gave the representatives from the city of Prince Rupert and the chamber of commerce a good hearing, and no doubt the claims of the city will be given consideration. But when I see only the small amount of $45,000 in the estimates for improvements and repairs to Dominion public buildings in British Columbia, I think it is up to me as a member representing one of the ridings of that province to remonstrate and to say that that is not doing justice to British Columbia. I trust that the government will look into the matter and see that central and northern British Columbia are given consideration in the supplementary estimates. I repeat that because of Prince Rupert's location at the end of a transcontinental railway and as a British Pacific port it occupies a strategic position. It stands third in customs and post office revenue in British Columbia. Prince Rupert is the second British North America port on the Pacific, and I am sure hon. members on both sides of the house will agree that we cannot develop British North America as it should be developed unless we do justice to the port of Prince Rupert. From the fact that only $45,000 is appropriated to the province of British Columbia for improvements and repairs to public buildings, one might almost think the government had forgotten that such a place as British Columbia exists.

Before I sit down I would like to impress my hon. friends opposite with the fact that Prince Rupert lies in a strategic position also in respect to northern and central British Columbia. At the present time we have only this rented shack, which accommodates customs, post office, telegraphs, fisheries, and public works. For that shack we are paying something like $7,000 a year in rent. I received that information from the Minister of Public Works, who was kind enough to give

it to me. I think the government would be saving money if it would consider the erection of an adequate public building in the city of Prince Rupert.

Mr. STEWART (Leeds): The claims of Prince Rupert have been strongly urged upon the government, and have been supplemented by my hon. friend to-night. Many representations have been made to the department by the people of that city. Let me assure my hon. friend that the claims and requirements of Prince Rupert will not be overlooked, and as soon as revenues warrant it the construction of a building will be considered. I can only ask my hon. friend to be patient. The item of $45,000 is the same amount as that voted last year. It is for general upkeep and repair of public buildings in British Columbia. No new building is included in this item.

Mr. FRASER (Cariboo): Of that amount how much was expended in the last year?

Mr. STEWART (Leeds): It was all required last year.

Mr. HANSON (Skeena): I would add that the Dominion government did buy a federal site about ten or twelve years ago in the city of Prince Rupert. I am not criticizing the government because of the way they picked out their sites. I am advocating the establishment of a federal building in Prince Rupert, whether a site owned by the federal government be chosen or otherwise; I am not particular about that so long as Prince Rupert and central British Columbia are recognized. To my mind it is vital to have a federal building in that portion of British North America. I call it British North America instead of British Columbia, because as I say we are the second port on the Pacific coast, Vancouver being the first. Sometimes it has been said that British Columbia is in Vancouver, but I am here to demonstrate that Vancouver is in British Columbia. I would like the house to learn where British Columbia is. I would ask hon. members not to look for Vancouver but to look for British Columbia, and they will find that there is such a place as Prince Rupert. When we receive the report concerning the Peace River outlet which my hon. friend the Minister of Railways and Canals is going to give us, I hope hon. members will study it and realize our geographical position. British Columbia requires not only the port of Vancouver but another port in order to do justice to the development of British North America, and Prince Rupert is the second port.

Mr. FRASER (Cariboo): Hear, hear.

[Mr. O. Hanson.]

Mr. HANSON (Skeena): My hon. friend says "hear, hear". He is a friend of mine. I realize what he has in mind, but I am not prepared to go into that now. Probably we will need three or four ports, because in that part of the country we have room for millions of people. I represent a constituency which is bigger in area than England, Ireland, Scotland and Belgium combined.

An hon. MEMBER: Mr. Brady told us that.

Mr. HANSON (Skeena): Well, it is all right if you know it. I venture to say that most hon. members do not know, however, that there is room for 30,000,000 people in that part of the country, and we have plenty of resources to back them up. We have agriculture, fishing, mining and all the resources to be found on God's earth. They are all in there.

When the government is considering the erection of public buildings I feel they should give my constituency some consideration. I know, however, that my hon. friend has it in mind and will give it due consideration. We are not trying to force the minister; I have no criticism to offer. However, I just wish to draw his attention to the magnitude of the country I represent, and especially the territory of Prince Rupert. The government is paying something like $7,000 a year by way of rental for a building that is nothing more than a shack. Why not erect a proper building and apply that $7,000 towards interest on the capital invested and thus have something for your money? By doing that we would get somewhere. I hope the present government will consider that proposition. If they do not now see the necessity for this accommodation at Prince Rupert, I have no doubt that some time they will, because I cannot believe they will leave it to their successors.

Mr. REID: Not seeing any appropriation in this item for the constituency I have the honour to represent, I would like to direct a few words to the Minister of Public Works. I was glad the hon. member began at last to talk about British Columbia, because although I have heard the north, south, east, and west mentioned, this is the first time British Columbia has been under consideration. Some of us are too far away. Three thousand miles is a long journey, and it is about time the members from British Columbia raised their voices. I wish to draw the attention of hon. members to some figures I have before me. For the erection of public buildings, out of a vote of over $6,000,000

British Columbia gets only $81,000. Out of that amount $8,000 is a revote. Expenditures authorized by statute amount to $579,712, and British Columbia gets only $112,000. For miscellaneous items the total amount is $929,000, nearly a million dollars, and of that amount British Columbia gets nothing. The total amount for roads and bridges is $173,250; of that amount British Columbia gets nothing. For telegraph and telephone lines the total amount is $205,950; of that amount British Columbia gets $63,600. Then we come to the heading "mail subsidies." There is a great deal of talk about the development of our markets. Of late we have been turning to the east to build up our trade. One would think that in connection with mail subsidies British Columbia would receive a substantial amount. Well, the total figure under this heading is $1,052,220 and of that amount British Columbia receives only $266,400. The total amount for ocean and river service is $3,697,300, and of that British Columbia receives only $20,000. The total amount for the marine department is $4,602,933, but of that British Columbia does not get a cent. I agree with the minister that we have to cut our suit according to the cloth, but I am afraid that on the suit he makes for Canada British Columbia will be represented by the buttonholes.

Mr. STEWART (Leeds): It will not be as bad as that.

Mr. REID: Our appropriation has been cut down very considerably. I agree with the minister that we should exercise economy, but for public buildings we are cut down from $203,000 to $81,000, which is out of proportion to the decreased appropriations for the other provinces. Out of a total vote of something like $22,422,782 British Columbia is going to get only $880,000 odd. Is it any wonder we rise in our places and protest? I have long been of the opinion that British Columbia has been neglected by the federal authorities, but this is the first opportunity I have had of expressing that opinion in this house. As long as this neglect continues I am going to raise my voice in protest. It seems to me that the nearer you are to Ottawa the more you get.

Talking about public buildings, we have a post office at New Westminster that was built I do not know how many years ago. Practically all the mail for the Fraser valley goes through that post office. I venture to say that if the provincial department of health had any jurisdiction over government buildings they would have closed this one up long ago in view of the disgraceful conditions under which the postal staff are working.

Mr. HANSON (Skeena): They would do the same thing in Prince Rupert.

Mr. REID: I ask the minister to consider this matter very seriously. The post office is so congested that the men are working back to back. The building should be enlarged, and we have the land for the purpose. I understand that last year the necessary plans were prepared in the department.

Mr. STEWART (Leeds): Have not these conditions prevailed for some years past?

Mr. REID: I am not responsible for what happened in years past. Although my predecessor raised his voice in protest, apparently he did not raise it loud enough. Not only are we getting too small an appropriation in relation to our population, but we are getting a great deal less than the amount collected in relation to the duties on exports and imports through the ports of British Columbia. At one port alone the amount of duties collected is the second largest in the Dominion. In case it is urged that British Columbia has only a small population and does not amount to anything, I desire to put these figures on record. The duties collected last year at Vancouver amounted to $14,000,000, according to the returns given by the Department of Trade and Commerce. This figure is exceeded only by Montreal. The port of Quebec—where so much money has been spent—collected duties to the amount of only $2,500,000 odd. There the value of the imports for consumption amounted to $17,000,000 odd and of exports upwards of $12,000,000, while at Vancouver the value of the imports for consumption amounted to over $79,000,000 and of exports over $127,000,000. I am not going to plead the case of Vancouver, for she is ably represented in this house, but I should like to see the needs of British Columbia, and particularly the riding of New Westminster, taken into consideration by my hon. friend.

Mr. STEWART (Leeds): I would remind my hon. friend that the appropriations for public works are not based upon the population of the different provinces; they cannot be. Regard must be had for many factors. If he will go back through the public accounts I think he will find in some years that the expenditures on public buildings in his province have been out of proportion to the population—the basis for which he is now contending. He has already spoken to me about an appropriation for New Westminster. In that locality we have been spending a good deal on the Fraser river, but his request will be carefully considered.

Mr. REID: Even during the last regime the port was not discriminated against because it happened to be represented by a member in opposition to the then government, as a matter of fact the appropriation was increased. I should like to see that policy continued. What is the reason for making such a great reduction in the appropriation?

Mr. STEWART (Leeds): The appropriation for any locality, I may tell my hon. friend, is not reduced because of the character or political complexion of its representation in this house, and it never will be.

Mr. REID: I am very glad to hear that.

Mr. POWER: Put up that declaration in every post office.

Mr. HANBURY: Does the minister contemplate any increased accommodation at the Vancouver post office? He is probably aware that that post office is used as the centre from which all the mail going north and to many of the interior parts of the province is transferred. The present accommodation is not sufficient. I understand that recommendations have been made to the department for the past two or three years that further accommodation is necessary. Further, I understand that these recommendations have been endorsed by the minister's departmental officers. I repeat, this increased accommodation is urgently required, and I should like to know if the minister contemplates taking the necessary steps to provide it in the very near future.

Mr. STEWART (Leeds): In reply to the hon. member for Burrard I may say that I am informed that the matter has been receiving consideration for the last eight or ten years. Undoubtedly increased accommodation is necessary. I understand that it would cost approximately $350,000 to acquire a site and about $1,000,000 to erect a building—a heavy expenditure. The matter is receiving consideration, and as soon as circumstances warrant action will be taken.

Mr. HANBURY: I am more or less familiar with the figures mentioned by the minister, but I would point out to him that the rentals now being paid for the accommodation of the various Dominion government services in the city represent interest on a capital investment that would amply take care of all these requirements. I think the minister will find that an increase in the public buildings in Vancouver would be justified as a good investment from the standpoint of the government.

[Mr. H. A. Stewart.]

Mr. STEWART (Leeds): Again I wish to point out that these expenditures are not made from capital as such, but from revenue.

Mr. FRASER (Cariboo): May I suggest to the minister that it might entail less cost to the Dominion government to transfer some of the many federal offices we hear of in Vancouver up into the interior of the province, where I think you would get the site a good deal cheaper and the buildings would be constructed for a good deal less than the figures mentioned by the minister, for Vancouver. I offer this suggestion for his consideration.

Mr. HANBURY: I am sure my hon. friend's constituents will welcome his suggestion, but I doubt whether it would be welcomed in other parts of British Columbia. People from all over the world, from British Columbia in particular and especially from that portion of the interior of British Columbia represented by my hon. friend, like an excuse to come to Vancouver, even if it is only to see one of the government officials.

Mr. FRASER (Cariboo): I might also say that we welcome the people of Vancouver in the central part of British Columbia. It will not hurt the health of my hon. friend a bit to come into that part of the province and look at it once in a while.

Mr. HANBURY: When we go into that part of the province its beauties are so great that we do not like to have our minds distracted by business.

Item agreed to.

Vancouver postal station "D"—improvements, $2,000.

Mr. HANBURY: I would like the minister to explain this item.

Mr. STEWART (Leeds): This station is in my hon. friend's constituency, I believe, and this amount is to provide for the installation of a new screen in postal station D for the purpose of providing improved postal facilities. The estimated cost is $1,800, with $200 for contingencies.

Item agreed to.

Vancouver public building—to meet one year's interest at five per cent on mortgage of $400,000, $20,000.

Mr. HANBURY: Before we leave this resolution I should like the minister to give the details of the appropriations which were not required for the last year.

Mr. STEWART (Leeds): The appropriation for British Columbia was $128,300, and the expenditure was $112.879. The balance falls in, and I can give the hon. gentleman the particulars if he wishes them. For Vancouver public buildings, improvements and repairs, we voted $17,000 and only spent $14,995. For accommodation for the Royal Canadian Naval Volunteer Reserve we voted $11,500 and spent $11,410, and the work is completed. For a public building in Trail $66,000 was appropriated and $56,648.46 was spent, and the building is completed. The balance falls in. For a public building at Rossland $5,000 was appropriated, $4,625.36 was spent and the building is completed. For a public building in Kimberley, $28,800 was appropriated; $25,195.28 was required for the construction of the building, and the balance falls in.

Mr. HANBURY: I should like as full information as I can get from the minister with regard to that appropriation for the R.C.N.V.R. accommodation.

Mr. STEWART (Leeds): Of last year?

Mr. HANBURY: Yes.

Mr. STEWART (Leeds): I am sorry I have not the particulars of last year's appropriations with me.

Mr. HANBURY: I understand that appropriation was made for the purpose of acquiring the old buildings of the Royal Vancouver Yacht Club.

Mr. STEWART (Leeds): That is correct.

Mr. HANBURY: That item went through last year. I understand a cheque has been issued so that it will come out of last year's estimates, but as yet the cheque has not been sent out. The point I wish to make is this: The government rented that property from the yacht club and paid a rental of $1,800 a year. They had the opportunity of purchasing the property at $10,000, I think, and they considered that expenditure justified. However, it is now over a year since the appropriation was made and I understand that the yacht club have received neither cheque nor rental in the meantime. I think they are at least entitled to receive rental, and failing that I think they should receive interest for the time the payment has been held up.

Mr. STEWART (Leeds): I assure my hon. friend that this matter will be brought to the attention of departmental officials. The matter will be checked up, and if there are any errors they will be corrected.

Mr. HANBURY: Just for the information of the minister I might say that I understand the papers in that connection are in the possession of the Department of Justice now and are being held up there because the department is anxious to secure a right of way to this property from the city of Vancouver. However, the sale of the property did not contemplate that the club would be required to give this right of way, which is in the control of the city of Vancouver. That is the cause of the delay, and I do not think there is any justification for withholding that payment.

Mr. SPENCER: Could the minister give us some information with regard to this interest of five per cent on the mortgage of $400,000?

Mr. STEWART (Leeds): It was the Winch building, which was purchased by the former government subject to a mortgage, and we are paying the interest on the mortgage.

Item agreed to.

Public buildings generally — experimental farms—replacements, repairs, improvements, etc., $50,000.

Mr. MOTHERWELL: Having regard to the fact that the announced policy of this government is that it will take a strong forward movement on behalf of agriculture, this cut from $100,000 to $50,000 is rather an unhappy exemplification of that strong attitude. Especially is that so when I find the Prime Minister reported in the Telegraph-Journal of St. John, under date of July 3, as saying that he would regard it as a great responsibility, if elected, to see that the collective weight and power of the Dominion is placed behind agriculture. I think this is rather an unfortunate illustration of that power, to cut down this item from $100,000 to $50,000. I suppose this will include new buildings as well?

Mr. STEWART (Leeds): No, this is just for ordinary repairs.

Mr. MOTHERWELL: It is the regular vote, but the amount is irregularly small. It covers some twenty-five farms, including the tobacco farms, and I feel sure that the Minister of Agriculture, who is present, could very well use that other $50,000 to keep those farms in good order during the coming year.

Sometimes it is easier to get through two small bites than one large bite; that often has been found to be the case in the past, and I would suggest that a second bite be taken in the supplementary estimates. I am sure it would be a welcome contribution to the system of experimental farms so well kept up for the last eight or ten years.

Mr. DUFF: What amount was expended last year?

Mr. STEWART (Leeds): While the information requested by the hon. member for Antigonish-Guysborough is being looked up, I can only say to the hon. member for Melville that this reduction will not curtail the extension of any agricultural program which may be adopted. This is just to cover minor, casual repairs and improvements that come along from time to time. We think we can get through this year with that amount.

Mr. MOTHERWELL: It is a bad start.

Mr. STEWART (Leeds): I am sorry, but the officer informs me that he has not the information as to the amount spent last year. However, we can get it.

Item agreed to.

Public buildings generally—military buildings —repairs, fittings and additions, $50,000.

Mr. HANBURY: In connection with military buildings, I wish to direct the attention of the minister to the condition in Vancouver. He is probably quite familiar with the situation. I do not propose to criticize the expenditure he is making this year in connection with the rental of the horse show building, which is now used there, but it seems to me that the rental being paid is exorbitant. It cannot be avoided at the present time, but I do think it is very necessary for the government to consider the whole situation in regard to militia units in Vancouver. The government are paying $9,000 at present for the horse show building, and I am informed that the purchase price of that building was approximately $25,000 to $27,000. There is no other building in Vancouver at present suitable. Now, housed in that building are military stores to the value of between $400,000 and $500,000. The place is nothing but a fire trap, and if the government are going to continue militia establishments at all they would most certainly be well advised to consider seriously the building of an armoury, to capitalize the sum that is paid now and to obviate the risk to this military equipment. I would suggest that the minister give that serious consideration. At present we have there other military units that are improperly housed. Under the present system of renting quarters it is practically impossible for them to better their condition, and again I suggest that if we are to continue militia units the government should consider some accommodation that would justify the efforts of these officers and men and the time they are putting in. We should give them quarters much more suitable than those they have at present.

Mr. STEWART (Leeds): This lease has been current for some years. I thank the hon. gentleman for his information, which will be taken into consideration. I should like to pass this item to-night, if possible.

Mr. NEILL: I wish to refer very briefly to the Shaughnessy hospital, which is in bad condition. It is a fire trap. I took the matter up with the Minister of Pensions and National Health and he indicated that there had been an attempt to reduce the fire risk by placing in another building some of the worst cases in the upper stories, and including in the estimates a substantial sum for rebuilding or repairing the place. Is there any vote for the Shaughnessy hospital concealed in this estimate?

Mr. STEWART (Leeds): There is nothing in this estimate to cover the item to which the hon. member refers.

Mr. NEILL: But this is for military buildings—repairs.

Mr. STEWART (Leeds): That is only repairs.

Mr. NEILL: Well, this building should be repaired; something should be done to it. It is really in a dangerous condition now. As I say, it is a fire trap. My hon. friend (Mr. Hanbury) is quite right when he refers to another building as being a fire trap for military stores. But surely where human life is concerned, the matter is much more serious.

Mr. MACKENZIE (Vancouver): I wish to endorse the remarks of the hon. member for Comox-Alberni with reference to the Shaughnessy hospital. I would impress upon the Minister of Pensions and, as well, upon the Minister of Public Works the necessity for a new military hospital in Vancouver. I think my recollection is correct, that the previous administration had prepared plans for a new military hospital there, and I wish to urge upon this government the importance of this undertaking.

Mr. BENNETT: They did not vote the money for it.

Mr. MACKENZIE (Vancouver): That is correct.

Mr. STEWART (Leeds): I may tell my hon. friend for Comox-Alberni that we have in the estimates $11,500 for the particular hospital he mentions. That will help out.

Mr. DUFF: I think we had better report progress.

Mr. STEWART (Leeds): May I carry vote 191?

Mr. DUFF: There are a number of items in that vote which we wish to discuss.

Mr. STEWART (Leeds): In that case, I move that the committee rise and report progress.

Progress reported.

On motion of Mr. Bennett the house adjourned at 10.55 p.m.

Friday, May 1, 1931.

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

DISMISSAL OF EMPLOYEES AT NEW CARLISLE

On the orders of the day:

Hon. CHARLES MARCIL (Bonaventure): May I ask the Minister of Railways and Canals (Mr. Manion) whether he has received a request from some eighteen officials and employees of the Canadian National Railways at New Carlisle, many of them fathers of families and old employees, who have been dismissed from the service; and whether it is possible for him to do anything for the relief of these people? I understand that they have appealed to the minister, and I know that in the kindness of his heart, if he can do anything for them, he will do so. I would like to know if any steps have been taken in that matter.

Hon. R. J. MANION (Minister of Railways and Canals): I do not remember having received any representations on their behalf, but even if I should, it is a matter, of course, for the management of the railways, over which I have no control at all. I shall be very glad, however, to pass on any representations that come to me.

COLLIN'S BAY PREFERRED PENITENTIARY

On the orders of the day:

Miss AGNES MACPHAIL (Southeast Grey): I would like to ask the Minister of Justice (Mr. Guthrie) who has been appointed as warden of the preferred penitentiary at Collin's Bay.

Hon. HUGH GUTHRIE (Minister of Justice): No permanent appointment has yet been made. The acting warden is Mr. Jackson.

SMITHFIELD BRIDGE

On the orders of the day:

Mr. W. A. FRASER (Northumberland): I should like to ask the Minister of Railways and Canals (Mr. Manion) if it is the intention of his department to replace the Smithfield bridge on the Murray canal which collapsed in August, 1930.

Hon. R. J. MANION (Minister of Railways and Canals): I do not remember anything about the matter, but I shall be very glad to look into it and give an answer later.

WHEAT MARKETING

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Has the government received any invitation to the meetings of the eastern European nations to discuss the marketing of wheat, and if so, will the government be represented at those meetings?

Hon. H. H. STEVENS (Minister of Trade and Commerce): I presume the hon. gentleman refers to the meeting in London? If so, and he will put his question on the order paper in a precise form, I shall be glad to answer it. At the moment I cannot quite get the import of his question.

Mr. GARLAND (Bow River): A despatch appears in this morning's papers to the effect that meetings are being held by the Little Entente, at Mr. Briand's suggestion, to discuss wheat marketing in Europe. As the markets there affect the welfare of this country, I wondered whether the government was prepared to be represented at those meetings either in an advisory or observational capacity.

Mr. STEVENS: There is no possibility of our being invited, and certainly we should not be represented unless we were invited. Up to the present there has been no invitation. I presume that it is a meeting of certain groups preparatory to the London meeting, but I have no information with respect to the matter.

Mr. POULIOT: But Mr. Ferguson enjoys looking through the keyhole.

Mr. STEVENS: Mr. Ferguson will look after himself all right.

REMOVAL OF RIPPLE ROCK

On the orders of the day:

Mr. WILFRED HANBURY (Vancouver): I would like to ask if the report prepared by the engineers investigating the removal of Ripple rock has yet been handed in, and when it will be tabled.

Hon. H. A. STEWART (Minister of Public Works): I have not yet received the report.

WINNIPEG VETCRAFT SHOP

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Before the orders of the day are called I have a question for the Minister of Pensions and National Health (Mr. MacLaren). The question is of some concern to the returned men of Canada and to veterans' organizations. I understand that we have seven vetcraft shops in Canada, one for the maritimes, at Halifax; one for Quebec at Montreal; two for Ontario, one at Toronto and one at Hamilton; and two for British Columbia, one at Victoria, and one at Vancouver. The one for the three prairie provinces at Winnipeg was burned last July. The matter was to be investigated, but up to the present time no action has resulted and there has been a great deal of uncertainty, and the returned men of the three western provinces would like to know what is the exact situation. My question is simply this: Will the minister take into consideration an investigation of the vetcraft shop in Winnipeg with a view to reestablishing it on a larger basis, or if that is impossible, will he consider the cases of the men affected, about 150 in number, and make them 100 per cent pensionable?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): That question involves several questions. I can answer it partially by stating that the matter was investigated, and some time ago an answer was given to the effect that it was not proposed to restore the building that had been destroyed. Certain arrangements were made for the men who had previously been engaged there; something like two month's pay, I think, was given. There is no objection, however, to further consideration of the matter. These matters never really receive final consideration.

INQUIRY FOR RETURN

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I desire to draw to the attention of the Minister of Public Works (Mr. Stewart), so that it might facilitate the business of the house when the estimates for New Brunswick are under consideration, that certain letters have not been brought down in Reference No. 6, which was laid on the table the other day. The missing letters include one from G. M. McDade, the member for Northumberland, also a letter appointing Mr. Albany M. Robichaud, agent for the Department of Justice, to procure certain deeds in connection with the work reported on in this file, together with his reply, also a letter accompanying the deeds. These letters have not been produced. I would ask the minister to look into the matter and to complete the file by producing the missing letters.

Hon. H. A. STEWART (Minister of Public Works): I will take note of what the hon. gentleman says, and have the matter checked up.

SALE OF GASOLINE

On the orders of the day:

Mr. E. J. YOUNG (Weyburn): I would ask the Prime Minister if any steps have been taken to compel oil refineries to supply oil and gas to cooperative organizations which are willing to pay for it.

Right Hon. R. B. BENNETT (Prime Minister): That would rest entirely within the jurisdiction of the provinces.

RAILWAY COMMISSION

AMENDMENT OF JUDGES ACT TO PROVIDE ANNUITIES FOR CHIEF AND ASSISTANT CHIEF COMMISSIONERS

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee to consider the following proposed resolution:

That the Judges Act be amended to provide for an annuity to any judge of a superior court of Canada who is or has been, since 1st January, 1931, appointed chief commissioner or assistant chief commissioner of the Board of Railway Commissioners for Canada.

Motion agreed to and the house went into committee, Mr. Hanson (York-Sunbury) in the chair.

Mr. STEWART (Edmonton): Will the minister explain?

Mr. GUTHRIE: This resolution provides for an amendment to section 27 of the Judges Act, adding a clause to protect judges who may be appointed to office other than upon the bench of the superior courts of Canada At times it is desirable to appoint judges to other positions, such as to the Board of

Railway Commissioners of Canada. I think experience in the past has shown us that eminent judges who have served in the position, for instance, of chief commisisoner of the railway board have rendered very valuable service to the country; I mention Mr. Justice Killam, the late Mr. Justice Mabee, and the recently retired Chief Justice McKeown. Section 27 of the Judges Act provides:

> If any person become entitled to a pension after the first day of July, one thousand nine hundred and twenty, under this act, and become entitled to any salary in respect of any public office under His Majesty in respect of his government of Canada, such salary shall be reduced by the amount of such pension.

Should it become desirable to appoint a judge of one of the superior courts of Canada to the position of chief commissioner or assistant commissioner of the railway board, such appointment might endanger the position of that judge in respect to the retiring allowance which he has already earned. The intention of the amendment is to cure this defect by providing that the section which I have just read shall be amended so that the status quo of the judge in respect of the retiring allowance which he has already earned shall be preserved. He will continue in his new appointment, and at the end of his term in that appointment will receive the retiring allowance which he would have received if he had continued as a judge. The bill which has been prepared and will be introduced if this resolution is adopted mentioned the two positions of chief commissioner and assistant chief commissioner of the Board of Railway Commissioners of Canada, and it is drawn so as to enable the country to utilize the services of eminent members of the superior courts of Canada without reducing the allowances to which otherwise they would be entitled.

Mr. STEWART (Edmonton): I believe that in the case of Judge McKeown who has just retired the pension was extended to the amount of salary he drew as chairman of the railway board. At his retirement that provision came into effect. Does this mean that while the incumbent in office is in receipt of a pension as a retired judge he will draw the salary of the commissioner plus the pension?

Mr. GUTHRIE: He will draw the salary of a chief commissioner. However, his time spent as chief commissioner will count as if he had still continued to be a judge. That is what it amounts to.

Mr. HEENAN: In other words, he will not lose his right of pension?

Mr. GUTHRIE: Yes, that is right.

Mr. STEWART (Edmonton): In the event of a person not having served the full term up to the age of seventy-five years, or in the event of serving only fifteen years and being appointed to a position of this character, will his term as commissioner count for retirement purposes? I believe the age of seventy-five years is the maximum at which a judge may serve?

Mr. GUTHRIE: Yes, his term served as commissioner will count just the same as if he had served as a judge.

Mr. BENNETT: By statute the railway commission is a court of record.

Resolution reported, read the second time and concurred in. Mr. Guthrie thereupon moved for leave to introduce Bill No. 40, to amend the Judges Act.

Motion agreed to and bill read the first time.

SOLDIER SETTLEMENT ACT

Hon. W. A. GORDON (Minister of Immigration and Colonization) moved that the house go into committee to consider the following proposed resolution:

> That the Soldier Settlement Act be amended to abolish the soldier settlement board and provide for the transfer of its powers, functions and privileges to an officer to be called the director of soldier settlement, who shall be paid such salary and at such rate per annum as the governor in council shall fix and allow.

Hon. P. J. VENIOT (Gloucester): I would like to have an explanation of this resolution. Perhaps we could have it in committee, but if the minister is in a position to give it, I would prefer to have it now. I see that the governor general in council shall fix the rate per annum of salaries. Why is this salary not fixed under the Civil Service Act?

Mr. GORDON: In answer to the hon. member I reply that this department of the government never operated under the Civil Service Act. There may be arguments advanced why it should, but at the present time the government, through my department, is endeavouring to reorganize the soldiers settlement board with a view to cutting down the expense of administration and, I believe, to giving greater service and having greater efficiency in the administration of the board and of its funds.

Mr. VENIOT: I have no objection to the motion going through, but we will have a better chance to discuss it in committee.

Motion agreed to and the house went into committee, Mr. Hanson (York-Sunbury) in the chair.

Resolution reported, read the second time and concurred in. Mr. Gordon thereupon moved for leave to introduce Bill No. 41, to amend the Soldier Settlement Act.

Motion agreed to and bill read the first time.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

Public Buildings—Generally

Experimental farms — replacements, repairs, improvements, etc., $50,000.
Flags for Dominion public buildings, $5,000.
Military buildings—repairs, fittings and additions, $50,000.
Military hospitals—repairs, improvements and alterations, $99,000.
Public buildings—generally, $40,000.

Hon. H. A. STEWART (Minister of Public Works): Mr. Chairman, yesterday the member for Assiniboia (Mr. McKenzie) asked for certain information in connection with the public buildings at Deloraine, Arcola and Watrous. I have the information now and will place it on Hansard:

Deloraine

Site, $1,500; contract for building, $24,903; fittings and lock boxes, $2,279; grading and sidewalks, $1,000; clock, $1,000; contingencies and superintendence, $2,218.—Total, $32,900.
Population in 1930, 760; postal revenue, 1929-30, $5,369.78; customs revenue, 1929-30, $5,640.18.

Arcola

Estimated cost of site, $200; lowest tender for building, $27,870; fittings, $3,000; grading, $2,000; contingencies and superintendence, $3.000.—Total, $36,070.
Population in 1930, 700; postal revenue, 1929-30, $5,279.51; customs revenue, nil.

Watrous

Estimated cost of site, $8,000; buildings, $24,000; fittings, $3,000; grading and sidewalks, $1,000; contingencies and superintendence, $2,000.—Total, $38.000.
Population in 1930, no figures; population in 1921, 1,101; postal revenue, 1929-30, $7,209.53.

It will be seen that the revenue from Arcola is the smallest of the three and the cost of the building the highest.

Mr. POULIOT: Mr. Chairman, I understand that the Public Works department called for tenders for the construction of a veranda on the post office building at Riviere du Loup. I am informed that two tenders were received, one from Charron and Anctil for $255, and the other from Philippe Blier for $295. Will the minister inform me why no tender was accepted?

[Mr Veniot.]

Mr. STEWART (Leeds): I have sent for the information and will give it to my hon. friend a little later, if that will suit him.

Mr. POULIOT: I thank the minister. May I ask if the failure to proceed with the work is due to the action of Mr. Dubé, the defeated candidate for Temiscouata county?

Mr. STEWART (Leeds): No, I would say not.

Mr. POULIOT: Has he the government patronage in Temiscouata county?

Mr. STEWART (Leeds): No gentleman has the patronage for any of these counties.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: Is the hon. minister insinuating that the Tory candidate in Temiscouata is not a gentleman?

Mr. VENIOT: Is there anything in the item of $50,000 for experimental farms for additional buildings at Fredericton?

Mr. STEWART (Leeds): There is no specific appropriation for any building; it is just a general item to cover needed repairs, wherever those repairs may be found to be required.

Mr. VENIOT: Has the department received any request from those in charge of the experimental farm at Fredericton for additional buildings?

Mr. STEWART (Leeds): I cannot say definitely; but in all probability if conditions warrant repairs there we have some representations about them and they will be considered.

Mr. DUFF: Last night I asked the minister how much money was spent under this item. Can he give me any information now?

Mr. STEWART (Leeds): It was all spent.

Mr. GARLAND (Bow River): If I remember correctly, there was a vote in last year's estimates for an elevator at Lethbridge, but I do not see anything in these estimates with respect to it. Is the building completed?

Mr. STEWART (Leeds): The elevator at Lethbridge was not constructed by the Public Works department. It is under the control of the Department of Trade and Commerce.

Mr. GARLAND (Bow River): The Public Works department have nothing to do with it?

Mr. STEWART (Leeds): That is my information.

Mr. HANBURY: I should like again to direct the attention of the minister to Ripple

rock on the west coast of British Columbia. This rock is a menace to both Canadian and American boats going to Alaska and the northern ports of British Columbia. For many years representations have been made urging that the rock be removed, and I understand the department have had their engineers investigating with a view to ascertaining the cost and recommending the removal of the rock.

Mr. STEWART (Leeds): Mr. Chairman, I do not wish to interrupt the hon. gentleman, but it does occur to me that as we are dealing with public buildings at the present moment, the proper time to discuss Ripple Rock would be when we are considering the items for harbours and rivers, and when probably I would have more information available.

Mr. GARLAND (Bow River): Is it the general policy of departments to erect public buildings under other departments than that of public works?

Mr. STEWART (Leeds): There are other departments that to a certain extent construct buildings for themselves. I have in mind the Department of Justice, and the Department of the Interior as far as Indian affairs are concerned.

Mr. GARLAND (Bow River): I think we should put them all under the minister and give him some more work.

Item agreed to.

Rents, Repairs, Furniture, Heating, Etc.
Ottawa public buildings and grounds—
Elevator attendants, $125,000.
Departments generally—char service including $150 to E. Snowden for firing the noon gun, $458,000.
Heating, including salaries of engineers, firemen and watchmen, $497,000.
Light and power—including roads and bridges, $175,000.
Repairs, improvements, additions and maintenance, $700,000.
Rideau Hall—allowance for fuel and light, $19,000.
Rideau Hall, including grounds—improvements, furniture, maintenance, etc., $60,000.
Telephone service, $124,500.
Water, $61,000.
Dominion public buildings—
Dominion immigration buildings — repairs, improvements, additions, furniture, etc., $25,000.
Dominion quarantine stations—maintenance and repairs, $15,000.
Fittings, general supplies and furniture, $100,000.
Heating, $443,000.
Light and power, $302,000.
Rents, $1,850,000.
Salaries of caretakers, engineers, firemen, etc., $1,210,000.
Supplies for caretakers, engineers, firemen, etc., $60,000.
Water, $80,000.
Yukon public buildings—rents, repairs, fuel, light, water service and caretakers' salaries, $28.000.
Victoria, B.C. — astrophysical observatory (Little Saanich mountain) — maintenance, repairs and improvements, $4,000. — Total, $6,336,500.

Mr. HANBURY: Can the minister give me some information as to the area, the rentals, and in what buildings offices are rented in the city of Vancouver for the federal services?

Mr. STEWART (Leeds): I understand my hon. friend wishes a list of the buildings in Vancouver, with their locations and rentals. In the list I am going to give the figures represent the annual rentals:

Postal A, C.P.R., $2,607.
Post Office Storage, C.P.R., $2,805.
Postal B, Orange Hall, $4,440.
Postal D, T. Edwards, $3,600.
Postal F, J. A. Campbell, $1,800.
Sidewalk area (90), city of Vancouver, $5.35.
Sidewalk area (Winch), city of Vancouver, $140.20.
Tunnel and right of way, city of Vancouver, $33.60.
Letter Carriers (Harrisdale), Masonic Hall, $2,400.
Fumigation shed site, C.P.R., $24.
D.S.C.R., Independent Vancouver Storage Company, $1,800.
National Defence, Horse Show Bldg., $9,000.
National Defence (1255 Pender), Seaforth Club, $2,100.
National Defence, 1117 Seaton st., $1,800.
National Defence, Navy League, $4,800.
National Defence, D. King, $2,700.
National Defence, E. J. McFeeley, $3,480.
Naval Service, Vancouver Yacht Club, $1,800.
Radio (Marine and Fisheries), A. E. Auston Co., $900.
Radio Garage, W. Dan-35 Pender, $96.
Mines and Met., H. Shanoley, $1,080.
Steamboat Inspection, H. Shanoley, $2,400.
P.O. Letter Carriers, Dr. Gorlich, $720.
Government Telegraphs, St. Francis Hotel, $1,200.
Labour, Royal Trust, $1,080.
National Defence, A. Blain-1125 8th ave., $660.
Radio, Consumers Garage, $84.
Examining Warehouse (Entrance), C.P.R., $100.
Radio (Garage), A. P. Galbraith (Robson st.), $60.
Marine Pilots, B.C. Mining Bldg., $960.
Pensions and National Health (Tribunal), B.C. Mining Bldg., $1,800.
Holleyburn Post Office, J. Lawson, $240.
Indian Affairs, Metropolitan Bldg., $1,992.
National Defence (Aviation), Merchants Exchange, $540.
Pensions and National Health (Vetcraft), Provincial Government, $1,200.

Mr. HANBURY: Could the minister inform me which of these offices have been moved during the past nine months, from what buildings they were moved and to what buildings they moved and on whose recommendation the move was made?

Mr. STEWART (Leeds): I am sorry I have not that information here. I can secure it for my hon. friend.

Item agreed to.

British Columbia

Argenta—wharf reconstruction, $10,500.
Celista—wharf reconstruction, $4,000.
Chemainus—renewal of float and approach, $1,700.
Columbia river (below Burton)—improvements to diversion work, $1,500.
Eagle bay—wharf, $2,500.
Fraser river—improvements—under contract, $100,000.
Fraser river (lower)—operation of snag boat, $30,000.
Fraser river—contribution towards protection work at Canoe pass, the municipality of Delta to contribute a like amount—under construction, $2,000.
Fraser river—contribution towards protection work at Matsqui, the provincial government, the municipality and the C.N.R. each to contribute a like amount, $3,500.
Ginols—wharf repairs, $1,800.
Harbours and rivers generally—repairs and improvements, $30,000.
Kaslo—wharf reconstruction—under contract, $21,000.
Magna Bay—wharf reconstruction, $7,000.
Minnekhada—wharf reconstruction, $1,600.
McDonald's landing — wharf replacement, $1,500.
Nanaimo—crib, $6,600.
New Masset—wharf repairs and float, $1,100.
Penticton—breakwater, $1,900.
Port Haney—wharf extension. $3,700.
Port Moody—wharf repairs, $6,000.
Saanichton—wharf repairs, $2,000.
Seymour Arm—wharf repairs, $3,300.
Sidney—wharf repairs, $3,800.
Stewart — wharf improvements — under contract, $2,500.
Vancouver—Stanley park—foreshore protection, $8,000.
Victoria—wharf repairs, $3,100.
Victoria harbour—dredging—under contract, $20,000.
William Head—quarantine station—to complete repairs to wharfs, $14,000. — Total, $294,600.

Mr. HANBURY: I would now like to direct the question to the minister which I asked a few moments ago, with regard to Ripple rock. I should like to ask him if he can tell me when the information will be available as to the cost of removing this rock, and when the recommendation of the engineers will be brought down. This is a very serious matter to all the shipping interests of the Pacific coast, whether the shipping has to do with the northern part of British Columbia or Alaska; it is a matter of interest not only to Canadian but to American shippers as well. It has been a menace there for a number of years, and unless it is removed some day we will have a very serious accident and the Canadian government will be

[Mr. Hanbury.]

responsible for permitting that menace to remain as it is to-day. I would ask the minister to give this matter his very serious consideration; I hope the report will be tabled at any early date and that he will take steps to see that this rock is removed at once.

Mr. STEWART (Leeds): Of course my hon. friend will notice that no immediate action is contemplated, because no provision is made in the estimates for this work. I am not very familiar with the matter except that I know there is rather an acute difference of opinion as to whether this suggested action should be taken. However, a report is in course of preparation, I believe, and when it is received it will be available to my hon. friend.

Mr. HANBURY: Just in connection with the minister's statement that an acute difference of opinion exists, I would suggest to him that fully ninety-five per cent of the shipping people of British Columbia desire to have this rock removed, and I would say that fully ninety per cent of the population of British Columbia desire its removal. I do not think the different opinion which is held by five per cent or ten per cent of the people interested should interfere with action being taken in the matter.

Mr. PLUNKETT: The hon. gentleman may be speaking for his constituency in this regard, but I wish to enter a protest on behalf of my constituency on Vancouver island in regard to the removal of Ripple rock. There may be a decided opinion in the constituency represented by my hon. friend, but there is an equally decided opinion on Vancouver island in regard to this matter. The commission which was appointed to consider the matter was composed of engineers who were asked originally to consider a bridge. Then they were asked to consider the removal of an obstruction to marine navigation. Navigation has been going on for over sixty years, and although the obstruction has been there no lives have been lost upon Ripple rock. I do not want hon. members, in the consideration of this question, to start something on the Pacific coast which may come into conflict with maritime rights by the division of Vancouver island from the mainland. I will say nothing further on the subject at the present time, but when the report is brought down I purpose to have a great deal to say, and I shall not be in accord with the hon. member who has just made his representations to the house.

Mr. REID: It is hardly necessary for me to tell the minister how important the Fraser river is. I rise now to bring to his attention a matter which is agitating the people there to a considerable extent, and that is the question of a modern lightship at the mouth of Fraser river. The government is spending thousands of dollars to put the river in first class shape for shipping. It has been examined by mariners, and they lay the blame for many accidents on faulty lighting. Has an application been made to the minister's department in connection with a modern lightship for the river?

Mr. STEWART (Leeds): That is a matter which is under the jurisdiction of the Marine department. I shall draw the hon. member's question to the attention of my colleague.

Mr. REID: I shall be pleased if you will have this done. With regard to dredging, has the minister received an application for dredging for airport purposes at Lulu island?

Mr. STEWART (Leeds): That is a civic airport?

Mr. REID: Yes; and that also is a very important project, many thousands of dollars having been spent there. In view of the fact that the Post Office Department is advertising from one end of Canada to the other, to induce people to use air lines, some consideration should be given to the development of that project, and it cannot be accomplished unless there is dredging.

Mr. STEWART (Leeds): So far as I know, the Public Works department has not yet embarked on any expenditures on air ports.

Mr. NEILL: Ripple rock, which hon. gentleman have been discussing, happens to be situated in the district I have the honour to represent, and I approve the government's decision to delay action until they get a scientific report from the engineers whom they have appointed to make that investigation. I would ask, however, why that report is not available. The investigation took place months ago and I have seen in the British Columbia papers what purports to be a summary of the report. If it is available on the street corners in Vancouver it ought to be available to the department and to the members of this house. What has become of it?

Mr. DURANLEAU: With reference to Ripple rock, I have already intimated that the report has been received at my department, but it has not yet been studied and I do not know whether it should be laid on the table of the house. We shall study it and in a few days we shall probably be in a position to say whether it is available to the public.

Mr. NEILL: May I ask the minister why it cannot be available? The report was got out by government engineers with reference to a matter of public concern, and there is a doubt in the minister's mind whether he will let us know what is in it. We have already been promised by the Minister of Public Works that it will be available as soon as it is brought down. We now find it is in the possession of the Marine department—I do not know how long they have had it. I would ask now along what lines of thought it could be argued that the report should not be available to the public?

Mr. DURANLEAU: Sometimes public questions may arise which might make that course inadvisable.

Mr. NEILL: Why, in this instance?

Mr. DURANLEAU: I do not say there is any reason against it, but I say that the report has not been studied yet and I do not know whether it will be advisable to lay it before the house.

Mr. NEILL: Then I would ask a further question: What further period of incubation will be required before it is decided whether it should be laid on the table?

Mr. DURANLEAU: It will not be long.

Mr. HANBURY: I have here a copy of the Vancouver Province of April 24, which carries this headline:

Engineers ask removal of Ripple rock. Work may be postponed a year.

Evidently this information has been given outside the house, or else the papers as usual are making statements for which there is no foundation. But if the newspapers have information the members of this house are at least entitled to the same information.

Mr. DURANLEAU: The undertaking is considerable, and though no information was given by my department, so far as I know, I do not think that this work can be done this year on account of the large expense involved. I am sure that no information was given by my department.

Sir EUGENE FISET: What item are we discussing?

Mr. NEILL: We have a right to finish the present discussion, having taken it up. The minister's remark now is to the effect that he does not think, under present financial con-

ditions, that the government would be justified in proceeding with the expense this year. I agree with him. But are we to take that as an intimation that the report was favourable to the removal of the rock?

Mr. DURANLEAU: The report has not been studied yet and I should not like to make a statement which would not be absolutely accurate. If my hon. friend is anxious to see the report, he may see it.

Mr. NEILL: This afternoon?

Mr. DURANLEAU: I cannot say this afternoon, but if the hon. gentleman will come to my department I am sure my officials will be pleased to let him see the report.

Mr. NEILL: Thanks.

Mr. HANBURY: Is that invitation extended to myself as well?

Mr. NEILL: Oh, no.

Mr. DURANLEAU: I suppose so; I do not see why it should not be.

Mr. MUNN: While this is not in my riding, a great many people there are interested in the shipping. This rock is a real menace to navigation. I know, because I have passed there many times. It is true there have not been accidents, but there might be a serious accident any day, and I think the government would be well advised to consider having the rock removed. If they cannot do it this year, possibly they could include an item in the estimates next year. I might say in this connection that the people in Victoria are hoping that some day they may get a railway across to the mainland. Anyone familiar with the circumstances will tell you that it is an impossibility.

Mr. REID: The minister, in replying to my question regarding the air port, said he was not interested in it.

Mr. STEWART (Leeds): I did not say we were not interested; we are interested in everything. I said we had not yet made any expenditure.

Mr. REID: This is a question of dredging where thousands of dollars have already been spent. The property was acquired to develop an air port for the Pacific coast and the dredging is necessary to complete this undertaking. Dredging comes under the minister's department. There is one item here of $30,000 for harbours and rivers generally. What is contemplated there?

Mr. STEWART (Leeds): That is the same amount as was available last year. It enables the department to do small amounts of dredging where this is found necessary, as well as other smaller work. There is no particular appropriation for it.

Mr. HANBURY: Before this item carries, I would like to have the minister give the committee some explanation of the reduction in the vote for harbours and rivers generally.

Mr .STEWART (Leeds): That reduction will be found to prevail generally throughout the items of the Public Works department; there has been a reduction all along the line. All I can say is that it is in keeping with such a program.

Mr. REID: There is an item covering Vancouver, Stanley park, foreshore protection, $8,000, and I would like to know why, if money can be spent for foreshore protection around Stanley park it cannot be spent on improvement works on the Fraser river. There are many cases where the foreshore erosion has been caused by the operation of the dredges, and I would like to know why the Fraser river is being neglected.

Mr. STEWART (Leeds): This is a continuation of a program undertaken some years ago and is really the completing of an obligation which this government found resting upon it.

Mr. MUNN: Mr. Chairman, I do not intend to object to any item in the estimates so far as British Columbia is concerned, but I would remind the hon. minister that I have made several applications covering what is practically upkeep work in connection with wharves and floats. As a business man, I would not recommend the spending of money unless I was satisfied it was necessary, but I have not had even a five cent piece. Whether or not that is a slam at the people who sent me down here in good faith, I do not know, but it has made me feel very badly. I would not like to think that just because I am here in opposition, the Minister of Public Works (Mr. Stewart) or the government intends to starve these people out. I have received many applications for appropriations to carry on what is practically upkeep work, and every hon. member knows that in the case of any property, whether it is a barn, house, bridge, wharf or float, it is necessary to keep it up. Personally I will not suffer because there is no item in the estimates, but my constituents will and I am sorry for them because, as I said before, they sent me here in good faith.

Mr. STEWART (Leeds): I can assure my hon. friend that irrespective of the side of

the house upon which he or any other hon. gentleman may be sitting, their requests will receive careful and serious consideration. I would like to introduce my hon. friend to a few of the hon. gentlemen sitting behind me, who have used much stronger language than he has. Their complaints have been bitter that there is nothing in the estimates for them, but I can assure my hon. friend that although he sits on the other side of the house in that respect he is in very good company. I would ask him not to be too pessimistic over some of these items he has in mind as I believe many of them will properly come within the general vote and it is quite possible we may be able to take care of some of them in that way. The hon. member has sent me particulars of some of these items but I shall be pleased to have a complete list.

Mr. MUNN: With the minister's permission I will give the particulars so they will appear on Hansard and my constituents will know that I have kept them in mind.

I have asked for a wharf at Hoods point and Cowans Point on Bowen Island. Boats arrive at these points every day but no accommodation is made for them. They are forced to unload their cargoes of freight and passengers by means of rowboats. A great many people spend their summer on this island and they are forced to come ashore in rowboats. These wharfs have been promised but nothing has been done as yet.

A wharf is needed at Alert Bay. There is a private wharf at this point but no government wharf and the people are forced to pay wharfage charges.

Repairs are needed to the wharf at Roy. This is a very small matter but it is very urgent.

A float is needed at Donley's landing; this is a small matter but it is particularly urgent because a boat calls there nearly every day. A large amount of fish is shipped to Vancouver and general merchandise from Vancouver to Donley's landing and this construction would cost only about two thousand dollars.

A float is needed also at Refuge cove, and another at Lund. All these items would not total more than $15,000, but if I could have got half that amount or perhaps two or three thousand dollars, then I might have kept quiet. I want to thank the hon. minister for his suggestion that perhaps later on some of these items may be included in the supplementary estimates.

Mr. NEILL: Mr. Chairman, I can certify that the items mentioned by the hon. member for North Vancouver (Mr. Munn) are needed. I have a much larger list in the same category, but I do not intend to put it on Hansard. I will take a chance this year on what the minister has said, that he will not play the game of politics but rather treat these matters in a businesslike way and where the work can be shown to be really necessary it will be done. In my opinion the vote for "harbours and rivers generally" in British Columbia, which this year is $30,000 as compared with $75,000 last year, will prove to be entirely inadequate. The amount voted last year was not sufficient, but it would go a long way because I understand the items covered by this general vote are only those for which an expenditure of about $1,000 would suffice. I do not know why the engineers of the department advised the minister to vote this lesser amount, because I know it will be absolutely inadequate. This is not a matter of new work, as are the items demanded by the ravenous wolves behind the hon. minister.

Mr. STEWART (Leeds): I did not call them ravenous wolves.

Mr. NEILL: That was the inference.

An hon. MEMBER: They are all over there.

Mr. NEILL: Well, the aforesaid claimants, then. This is not new work, it is repair work and if it is not carried on this year it will cost the government more money at a later date when these works go all to pieces—I will not use a stronger word. Instead of only the cost of repairs, the government will be faced with an expenditure for complete renewal.

Many of the items I have in mind cover floats and in their construction it is not possible, from an engineering viewpoint, to use creosoted logs. In the case of wharves, where creosoted piles can be used, it is found that they last from fifteen to twenty years, but in the case of floats where they do not and cannot use creosoted timber, the teredos attack at once. I have known of a case where a new float was put in in the month of August and by September of the year following it had practically gone to pieces because the teredos had eaten it to such an extent. We will suppose that the average life of a float is about five years; certainly it does not exceed that. You put in a float costing, perhaps, $2,000. Something goes wrong with it. Perhaps the anchor is pulled through a ship knocking up hard against it, or one log may have decayed sooner than the others, and repairs are required costing, say, $250. For the lack of that shoenail, not only is the whole thing imperilled and its decay hastened, but the people have to go without the use of

that float while that condition is allowed to continue. I was sent a photograph of a float which showed that in the approach, in that portion that extends between the float and the shore, one of the logs had given way, and the thing was standing up on its edge. The ship always calls at that point during the night, and this photograph that was sent me showed a woman, in a delicate condition of health, crawling along on her hands and knees on the ridge pole of this thing to catch the steamer on her way to hospital. They said that that was the result of temporary repairs, which would have cost about $200, not being made at the right time. What I was going to point out was this: Not only does that result obtain, not only is the life of the float shortened, but the people do not get the use of it while that sort of thing is going on, and instead of having the use of a float for five years, perhaps they get only three years' use of it. I know one float in particular—I am not accusing this government especially because the same thing happened under the previous government—where, due to the engineer's neglect to have small repairs made at the right time, the float has been used for only six months in the last eighteen months. The teredos do not suspend their activities in the meantime. Decay is going on and the life of the float shortened. If you take six months out of the short life of a float due to the neglect to make temporary repairs at the right time, it is a very expensive game indeed. Therefore I say that it is cheaper in the long run to make the repairs at the right time than to let the thing go. The people then have the use of the float and the ship can come in, instead of the people having to go out in open boats for a distance of perhaps ten miles in the almost perpetual rain that falls around some of these western islands in the winter months. This item of $30,000 is largely used for these floats. The vote has been cut down from $75,000 last year to $30,000, and apparently in view of this reduced appropriation there is going to be a great deal of neglect of these small floats, with the ultimate result that it will cost far more to replace them in the end. It can hardly be possible that any government, even on the grounds of the most dire economy, would let these floats and wharves be absolutely abandoned, some of which have been in existence for twenty years. They will have to be maintained eventully, and it will be real economy to vote a sufficient sum to maintain them as we go along. Like the hon. member for Vancouver North, I can say that there is not a single item in this list which applies to my district, and I have not uttered a word of complaint about it, although I could spend a long time in doing so; but I am particularly anxious about this general vote. It will be heavily called on, and not only with regard to my district but other parts of British Columbia, the amount is absolutely inadequate for the purpose for which it is voted.

[Mr. Neill.]

Mr. MUNN: One of my colleagues has asked me what a float is. I take it for granted that the Minister of Public Works knows, but perhaps some other members of the house do not. First they take several logs and plank them over, and then this float is anchored. The teredos will destroy those logs within two or three years, necessitating repairs practically every year. Hon. members can therefore see how rapidly decay works. These floats are used for steamboat landings, and it is absolutely necessary that they should be maintained in repair for that purpose.

Mr. HANBURY: With respect to the item of $8,000 for foreshore protection of Stanley park, I understand that this amount is voted annually? What is the total amount that will be required to complete this work?

Mr. STEWART (Leeds): This amount of $8,000 is required to extend the retaining wall a distance of approximately 570 feet. The wall was commenced in 1922-23, has a base width which is variable, depending upon the height of wall, the average height of which is from seven to eight feet, with the top width two feet, with a granite coping eight by fifteen inches. It is built of granite, rubble boulders, with grout of Portland cement. The proposed work is requested by the Vancouver harbour commissioners and by the district engineer, to prevent erosion of the bank caused by the wash from steamers passing through the Narrows at high tide.

The appropriation in 1930-31 was $8,000, and the expenditure $7,990.81. The work already done is as follows:

During 1922-23, 1,053 feet of wall was built at a cost of $9,991.51.
During 1923-24, 800 feet of wall was built at a cost of $7,964.07.
During 1924-25, 700 feet of wall was built at a cost of $7,999.29.
During 1925-26, 830 feet of wall was built at a cost of $7,999.98.
During 1926-27, 397 feet of wall was built at a cost of $6,016.04.
During 1927-28, 514 feet of wall was built at a cost of $7,994.24.
During 1928-29, 500 feet of wall was built at a cost of $7,790.19.
During 1929-30, 375 feet of wall was built at a cost of $7,974.96.
During 1930-31, 535 feet of wall was built at a cost of $7,990.81.
Total feet built, 5,704.
Total cost, $71,721.09.

Mr. HANBURY: What will be the total cost of the construction of that wall?

Mr. STEWART (Leeds): There is another section remaining to be done, and the probable cost of completing it will be $8,000 or $10,000 in addition to the present vote.

Mr. HANBURY: That is the information I wanted. I would call to the attention of the minister that that work carries a very high percentage of man power; the percentage of material is very small. It is work that a great many people who have no other trade can do, and I would suggest to the minister that as a measure of unemployment relief he might consider placing in the supplementaries a further sum for that work which could be expended during the present year or during the winter, if necessary, because the work could be done in the winter on account of our climatic conditions. The work has been done by day labour. We cooperate with the parks commissioners at Vancouver.

Mr. HANBURY: I am suggesting that with a view to unemployment relief this work might be done this year rather than next year, and an item be provided in the supplementaries for that purpose.

Mr. NEILL: I would like to pay a tribute to the enterprise of the engineering department in making a new departure in connection with these floats. During the last year a couple of small scows were built to take the place of floats with the idea that if the experiment proved successful they would adopt the policy. The scows can be built cheaper than the ordinary float. They are built of plank and although they are not creosoted by pressure they are painted with creosote. The creosote is not put on under pressure but is heavily painted and tarred. Unlike the floats the scows have the additional advantage that once a year they can be drawn out of water, retarred and repainted with creosote. If the experiment is successful the use of these scows will enormously decrease the cost which would have been necessary with the use of floats. Of course there is the expense of once a year pulling the scow out, but that is nothing compared with the cost of making a new float. I would like to give credit to the engineering branch of the Department of Public Works for inaugurating an experiment which I hope will be successful.

Mr. HANBURY: I wonder if the minister would tell me why appropriations totalling $358,260.16 were not spent?

Mr. REID: I notice some items in connection with protection work. Some applications for protection work have come from the constituency of New Westminster. The farmers in that district are as heavily taxed as farmers anywhere in Canada, paying from $6 to $8 per acre. I quite agree with the minister that protection work cannot be done on all rivers, wherever erosion takes place. In many cases however on the Fraser river due to the work of the dredges, erosion has taken place. I wonder if the minister would give me the assurance he gave the hon. member for North Vancouver (Mr. Munn) that when the supplementary estimates are brought down consideration will be given to applications.

Mr. STEWART (Leeds): Consideration will certainly be given. I do not know that I promised the hon. member for North Vancouver that anything would be included in the supplementary estimates. I made no such promise to any hon. gentleman, but I will consider the requests which have been made. In answer to the question of the hon. member for Vancouver-Burrard (Mr. Hanbury) I would say the information for which he has asked covers three pages. I am afraid that to read it at the present time would be encumbering the records of Hansard.

Mr. HANBURY: I will be quite content if the minister would furnish me with a copy of the information.

Mr. STEWART (Leeds): Certainly.

Item agreed to.

Dredging—Maritime provinces, $350,000.
Dredging—Ontario and Quebec, $350,000.
Dredging — Manitoba, Saskatchewan and Alberta, $50,000.
Dredging — British Columbia, $150,000.—Total, $900,000.

Mr. VENIOT: Mr. Chairman, under the heading "dredging,—maritime provinces" I see the amount is reduced from $675,000 to $350,000. As I distinctly understand the government is attempting to cut down expenditures from a standpoint of economy, it is not necessary for the minister to explain the reason the expenditure in this instance has been decreased. Referring more particularly to the province of New Brunswick I would say to the minister that with only $350,000 for the maritime provinces generally I do not see how it is possible for the department to get along with that amount of money and at the same time do justice to the industries, especially the fishing industry, in the provinces of Nova Scotia, Prince Edward Island or New Brunswick. At this time I intend to speak particularly of the province of New Brunswick; the representatives of Nova Scotia and Prince Edward Island may at a later

time deal with their provinces. In the county of Gloucester, which I have the honour to represent I know of several wharves which lately have been constructed in the interests of fishermen to afford protection. Unless some dredging is done it will be impossible for those fishermen to avail themselves of the protection and accommodation provided by the wharves. For instance there is the harbour of St. Simon where there are about seventy-five or eighty fishing vessels; I do not refer to boats but to fishing vessels; in addition there are fishing boats. It may be said quite truly that for a long time they have got along without this protection. They have it now however. The intention was that last year some dredging would be done in St Simon harbour. Out of the $650,000 or $675,000 voted for dredging in the maritime provinces generally, in the estimates of dredging work to be done in these harbours made by the engineers the harbour of St. Simon was included. Nothing was done. I understand that the department was short of dredges and perhaps could not have the work done. I am told that dredges could not be procured to do the work last year in St. Simon harbour. Then there is Lower Caraquet harbour where dredging is absolutely necessary. The wharf there is 1,700 feet long. It was built eight or ten years ago and there is a constant gathering of silt coming down the different rivers emptying into Caraquet and St. Simon bays. That silt has the effect of filling up the bay. In the main channel and along the sides of the wharf beginning at a point 150 feet from the head of the wharf and running to the shore, it is impossible for fishing vessels to avail themselves at the present time of the protection the wharf otherwise offers. Then there is Shippigan gully. That point is the main entrance of about 200 fishing vessels coming from the cod fishing banks. At the present time they go through Shippigan gully whereas some years ago they had to go around Miscou point and Miscou island. Some fifteen or twenty years ago the government conceived the idea that by a system of breakwaters constructed at the entrance to Shippigan harbour and some small dredging operations the channel might be utilized and kept in proper condition for fishing vessels. The result was that after dredging had been done the strength of the current practically kept open the entrance to Shippigan harbour so that vessels drawing 14 feet of water came through that harbour instead of going around a distance of about 30 miles. A slight shifting of sands on the outside of Shippigan gully has caused the formation of a bar and has diverted the channel from the outside, leading into the gully channel and into the harbour. Last year representations were made by me and it was intended that a large bucket dredge would be procured. The suction dredges were not fitted to do the work in the exposed section of the bay. That meant that out of the $675,000 a certain portion would be spent to try to widen the channel and take away the bar. That has not been done. In addition to that $10,000 was voted last year for the dredging of what is known as the Lameque basin. That amount was to be spent under contract, not under government dredging work. No tender has been asked for and the vote is in the estimates this year.

May I point out to the minister that this $10,000 was provided to dredge the basin between two wharves to give protection and better accommodation to a fishing fleet of some 65 or 75 vessels and boats. I had before me this morning a report from the Department of Fisheries giving a list of bounties paid to persons engaged on fishing vessels and fishing boats. On just a few of the islands in the vicinity of Tracadie—I am referring particularly to Miscou and Shippigan —about 1,000 men received bounties for fishing in boats and vessels of 15 tons and upwards. With that large fishing fleet in operation there can be no doubt of the necessity of further dredging for their protection, and I think the minister would be well advised to have the matter looked into between now and the time the supplementary estimates are being prepared, to see if something cannot be done to add to this appropriation in order to meet the conditions to which I have referred.

I see an appropriation under harbours and rivers of $75,000 for breastworks and breakwaters at Tracadie harbour. The contract was let last year, and the work is being proceeded with. Suction dredge No. 12—I think that is the number—worked there last year until ice formed. I understand orders have been given to stop further dredging. Owing to the closing down of the lumber industry in that section—an industry on which a great many of our people depended, and did not engage in fishing—those people now have to resort to fishing and agriculture for a livelihood. The harbour is landlocked and it would cost $1,000,000 or more to enlarge the old entrance. Therefore it was decided by the engineers to close the old entrance and dredge a channel from the village to and through the outer beach. This would open up a channel which 30 years ago had 20 feet of water in it, but subsequently was allowed to close

up. The Department of Public Works are building breakwaters and breastworks so as to open this new channel into the straits of Northumberland. When the harbour is improved, as it will be under the plans laid down, it will develop to a greater extent than ever before the fishing industry in that section of New Brunswick. As I say, the dredging has ceased. I am told by the minister in a letter which he addressed to me a few days ago that it was not thought necessary that this dredging should be continued any further until such time as the breakwaters were completed. There empty into Tracadie harbour two large rivers, and the silt from those rivers will fill in the channel already dredged, but if the dredging was continued through the outer beach the current would keep the new channel clear of silt in the future. I would ask the minister to look more carefully into this dredging. It was reported on favourably by the engineers of the department, and was started when the construction work was commenced. To my mind it is absolutely necessary that the dredging should be continued, and if operations are resumed now they will get through the beach by the fall. At present the dredge is idle and it will take very heavy spring tides to get her out of that landlocked harbour. It is evident that later on she will have to dredge herself out through this beach. If it was necessary to use the dredge elsewhere I would not urge any objection, but it seems to me futile to leave her idle in Tracadie harbour while this essential work is necessary. I think provision should be made in the supplementaries to add to the appropriation an amount at least sufficient to allow the dredge to carry on for the next four or five months.

Mr. REID: With regard to dredging, Mr. Chairman, I think the time has come when some serious notice should be taken of the matter, particularly with respect to the Fraser river. It is all very well to leave dredging in the hands of an engineer and say he is responsible for it, but I can assure the minister that it does not require an engineer, or even a person designated as an engineer, to know that some of the dredging that has been carried on in the Fraser river has been almost tragic in its futility. I direct the minister's attention to two cases and leave it to his judgment to say if such procedure is good business. Last year dredging took place east of the Fraser bridge and the sand was dumped in the middle of what was once a sand bar. The Fraser river flows at the rate of from 3 to 5 miles an hour, and carries the sand with it. The serious effect of this was seen later when a large ocean-going ship struck bottom. In the other case in connection with construction work that was being carried on by the department, the sand dredged was piled many feet high on to an island known as Ione island in the middle of the river. This sand slipped back into the river. As a result, the farmers had their dykes washed out, and they are paying $8 an acre to which includes maintenance of their dykes. I say it is high time that the spending of large sums of money for dredging should be looked into so far as the Fraser river dredging is concerned. I do not speak of other rivers. Did the recommendation for discontinuing the present dredging come from the resident enginer in New Westminster?

Mr. STEWART (Leeds): I can only say that any curtailment in the program of dredging the Fraser river or any other river is due to the necessity of bringing our expenditure into relation with the moneys that are available. My hon. friend may not think the curtailment is justified in all cases, but we have to do the best we can with the funds available, and we shall continue to do so. As to how and where dredging work should be done, of course we are guided by the advice of our engineers. There is no other way in which we can proceed. My hon. friend's complaints will be referred to the engineer, who will make an investigation, and if he finds mistakes have been made they will be avoided in the future.

Mr. REID: I am glad to hear the minister say that these matters will be looked into.

Mr. STITT (Selkirk): Perhaps it would be in order for an hon. member on this side of the house to point to one of the mistakes which have been made in regard to the dredging items now under consideration. I have here a voluminous file with regard to a situation in the constituency of Selkirk, which has to do with practically all of lake Winnipeg. At the present time, under the departmental estimate, two dredges out of the three on lake Winnipeg have been laid up. The crews are idle; the men are waiting for work, and the work is waiting to be done. The water is lower in lake Winnipeg than it has been in history, but we are to have nothing done.

I would just like to direct these facts to the attention of the minister, because if I do not do so I will be afraid to go home. At the mouth of the Red river there is a wharf used by Messrs. Brown and Rutherford, a large lumber manufacturing company, but at

the present time because of the low water they cannot use that wharf. I believe recommendations and investigations have been made by the engineers with regard to a harbour of refuge up at George's island, about 170 miles north of where the Red river enters lake Winnipeg. This harbour of refuge has been under construction for very many years; a good deal of money has been expended on it, but last year I understand the navigators were not able to enter the harbour at all. I understand further that on one occasion one of the government vessels had to go around the island five times in order to avoid shipwreck. If this work is not proceeded with; if matters are left as they are, and if one of these vessels is wrecked this year with loss of life, I would not like to go back to Selkirk and have it stated that I did not make adequate representations in this house with regard to the situation.

I am receiving communications day after day in regard to this matter. Just this week I learned from the town of Riverton, which is the only naturally protected harbour in the northern part of the lake, being situated at the entrance of the Icelandic river, that the vessels in that port are not able to get into lake Winnipeg at the present time; they are practically isolated, and all navigation and transportation is at a standstill. I have letters and telegrams in my possession from Conservatives, from Liberals, and from non-partisan associations. I have a telegram here, which I received on April 15, from the associated boards of trade of Manitoba, which reads as follows:

> Understand two lake Winnipeg dredges being laid up. All available equipment urgently required to facilitate navigation, and urge you make suitable representations to the department.

That is from the Manitoba associated boards of trade, and is signed by E. G. Gilliat, secretary-treasurer. I have other telegrams, from the Selkirk board of trade, from Mr. James McLenaghen, the local member of the Manitoba legislature, and from others. I also have a letter which I believe was forwarded to the minister, from the secretary-treasurer of the town of Selkirk.

Now let me deal with another feature of the situation. If this vote cannot be amended at the present time and we must wait until the supplementary estimates come down—I hope the minister is listening to me—it will mean that we must wait until almost July, which will mean that two months will be lost, during which time no work can be done. These works are essential; they are absolutely necessary, and the failure to carry them out is not only imperilling navigation but allowing trade to stagnate and adding to unemployment. I simply want to make this statement in conclusion, that if the members of this house and the government want to write my political obituary, they are going at it the right way.

Mr. STEWART (Leeds): In reply to my hon. friend from Selkirk I can only say that the condition which he has outlined to-day he has very vigorously and in complete detail laid before me previously. The condition which he mentions with respect to lake Winnipeg unfortunately seems to prevail generally. There is low water in the great lakes, and we have demands from many places on lake Erie and lake Ontario for dredging. We are trying to meet the emergency as best we can with the funds available.

Mr. STITT (Selkirk): The minister stated that I had laid the question before the committee in detail. I have not done so. There are many other matters to which I could refer.

Mr. STEWART (Leeds): I said it had been laid before me in detail.

Mr. STITT (Selkirk): I do not want to take up more of the time of the committee, but let me emphasize once more that if we wait until the supplementary estimates come down, much time will be lost. If we cannot make some arrangement whereby this work can be carried on immediately, a very serious situation may develop in Selkirk, for which no government and no member of parliament will want to assume responsibility.

Mr. BOWMAN: I can endorse what the hon. member for Selkirk has just said with regard to lake Winnipeg; the same situation prevails in regard to lake Winnipegosis in Manitoba. As the hon. member for Selkirk has just stated, the water in these lakes is very low; in fact it is the lowest on record. Rivers and creeks which never have been known to be dry in the west are absolutely bone dry to-day, and lake Winnipegosis, to which I refer particularly, is from three feet to five feet lower than it ever has been in the past. On lake Winnipegosis there is quite a large fishing business, and it is absolutely necessary that these dredging operations be continued in order to keep the harbours open so that boats can continue to operate and the fish may be marketed. I think the reduction from $130,000 to $50,000 is not a reduction which should be made at this time, no matter what may be the necessity for economy. I could say something along the line of what has been said already in this house, that there

is such a thing as carrying economy too far, especially at this time, and I think Manitoba has suffered just a little more than it should. However, I have done my duty in drawing this matter to the attention of the minister, and I sincerely hope that the amount for dredging will be increased so that the dredges on these two lakes in Manitoba may be continued as in the past. If that is not done certainly it will mean a very serious setback to the fishing industry of that province. It must be remembered that the amount for which Manitoba is asking is a very small sum in comparison with the amounts which already have been voted for the other provinces.

Mr. HANBURY: What dredges are owned by the government in British Columbia? I am referring particularly to tidewater.

Mr. STEWART (Leeds): We have four—Ajax, Mastodon, King Edward and Fruhling.

Mr. HANBURY: Will all this equipment be tied up or will some of it be used?

Mr. STEWART (Leeds): The appropriation will not be sufficient to keep these dredges in operation unless it is supplemented in some way. The probability is they will all be laid up except the King Edward.

Mr. HANBURY: There is need for dredging in British Columbia and the equipment is available. The government is spending money on these dredges and the equipment; it pays watchmen for the purpose of looking after them. We have men looking for work and I would suggest increasing this amount in order to keep the equipment in operation and provide work, which is badly needed. Depreciation is going on to an extent greater almost than if the dredges were operating, and I cannot agree with a policy which would tie up government equipment under the present circumstances.

Mr. STEWART (Leeds): I ought to inform the hon. member that the Ajax has not been in operation for several years, and the Mastodon has also been idle for a considerable time. Of the remaining two it is proposed to lay up one.

Mr. FRASER (Cariboo): What amount of money has been provided for dredging on the Shuswap lake in the interior of British Columbia?

Mr STEWART (Leeds): No specific amount is provided for that work and it is not really proposed to operate there this year.

Mr. MacLEAN: The vote is largely reduced and I take it for granted a number of dredges will be laid up. What is the program for Prince Edward Island dredging in connection with work at Egmont bay, where a new wharf was constructed the year before last for the benefit of fishermen? A dredge was operating there last season and did part of the work but was removed before the work was completed. Is it possible to carry on that work this year or in the near future?

Mr. STEWART (Leeds): Our program for dredging in Prince Edward Island is under consideration and we are seeking to adjust it to the funds available so as to produce the best results.

Item agreed to.

Ontario — Sarnia — harbour improvements—under contract, $63,000.

Mr. GRAY: In connection with this item of $63,000 for Sarnia, is this for harbour development proper or it is for the public dock at Sarnia?

Mr. STEWART (Leeds): This amount is required to provide for work now under contract with the Detroit River Construction Company for the construction of a wharf and to provide for paving in and around the existing warehouse, and to construct a warehouse for the general use of the public.

Mr. GRAY: Have any representations been made to have the length of the wharf as originally planned extended.

Mr. STEWART (Leeds): Yes. We have had that under consideration, but we do not propose to proceed with the extension just now, even though we think it would be well justified.

Item agreed to.

Quebec, $1,100,500.

Mr. POWER: I see an item of $7,900 in connection with wharf repairs at Grindstone. What does this item represent and what is the report of the engineer?

Mr. STEWART (Leeds): This item is required to take care of certain construction work at this point for urgent repairs to the outer end of the wharf which was seriously damaged by a storm on October 26, 1930. The money is required for renewal of stringers, and other necessary work. The traffic is heavy, amounting to over $1,000,000 annually, and the population is 3,000.

Mr. POWER: What is the necessity for the expenditure of $4,800 at St. Francois Sud?

Mr. STEWART (Leeds): The work was requested by the district engineer in a report dated November 30, and is required to repair the damage done to the wharf and freight shed by a fire which occurred on the night of November 6, 1930.

Mr. POWER: In what county?

Mr. STEWART (Leeds): Montmorency.

Mr. POULIOT: I would like the hon. minister to give me some information with regard to the wharf at Rivière du Loup. The other day the Minister of Marine (Mr. Duranleau) said that I should have had more works done by the previous government, but he knows that the late government treated my constituency with all fairness. May I ask what amount was voted last year for the repairs of the wharf at Rivière du Loup?

Mr. STEWART (Leeds): The appropriation for 1930-31 was $22,100.

Mr. POULIOT: Was it taken for granted by the minister that the work would be carried on by the same men who had worked in previous years?

Mr. STEWART (Leeds): No.

Mr. POULIOT: Was it decided by the department that this work would be carried on by day labour instead of by contract provided that the same men who had been working for the previous years would continue to work?

Mr. STEWART (Leeds): All I know is that this work was started in July last by day labour. Although this item amounted to $22,100, this work was started by day labour by the former government.

Mr. POULIOT: Was it understood that that work was to be done by day labour instead of by contract because the men who had worked previously had performed that work to the satisfaction of the department, and that if it should be necessary to have the work done otherwise it would be done by contract?

Mr. STEWART (Leeds): I understand that the hon. gentleman with his knowledge of local conditions recommended that this work should be done by day labour; it was started on that basis and has been continued.

Mr. POULIOT: Yes, but the minister escapes my question; he skates all around it. My question was a short and clear one; I would like to know if on account of the work done by these men it was decided by the department to have the work continued this year by day labour instead of by contract.

Mr. STEWART (Leeds): That matter was taken up before I took charge of the department, and I do not know just what was the moving consideration of my predecessor in starting this work by day labour.

Mr. POULIOT: Was there any memorandum in the files to that effect? I am sure a definite decision was made by the former minister, because he told me at that time that if the work was to be done by new men he would have it done by contract instead of by day labour. Do I understand the minister to say that the amount voted last year was $22,100?

Mr. STEWART (Leeds): Yes.

Mr. POULIOT: And how much of that was spent?

Mr. STEWART (Leeds): The information I have is that that amount will total $15,100 when the accounts have all been received up to the end of the fiscal year. I understand there is a revote of $7,000 in this item.

Mr. POULIOT: Upon whose recommendation were these men dismissed and replaced by others?

Mr. STEWART (Leeds): I can assure my hon. friend it was not upon his recommendation.

Mr. POULIOT: The minister is one of the ablest lawyers I have ever argued with, but he does not answer my question; I am asking him for a name and for nothing else.

Mr. STEWART (Leeds): I really do not remember. It was done in the ordinary course of events; my hon. friend knows just how and why these things happen.

Mr. POULIOT: Does the minister desire me to hold him responsible for the whole thing? I would like to know just who was at the bottom of this. I would like to know just who asked the minister to appoint new men in the place of the old.

Mr. STEWART (Leeds): I can assure my hon. friend I am not seeking to avoid any responsibility whatever in connection with the action taken. This action was perfectly regular, natural, customary and normal in every way, and I am sure it was just such action as my hon. friend would have taken had he been in my position.

Mr. POULIOT: But I would not have hidden anything from the committee; I would have told whether it was Tom, Jack or Charlie. Is the minister insinuating that there

was no gentleman looking after the patronage in my constituency? I would like to know who the person is, whether gentleman or otherwise, who asked for the dismissal of these men.

An hon. MEMBER: It might have been a lady.

Mr. POULIOT: If it was not a man, it must have been a woman, but not a lady. I would like to have an answer from the minister.

Mr. STEWART (Leeds): I can assure the hon. member there is no woman in this case.

Mr. POULIOT: I ask the minister again, with all the suavity and politeness I possess: will he please tell me who that man is?

Mr. STEWART (Leeds): I would say that there is no man in the case at all.

Mr. POULIOT: Is it not a fact that those men who had been doing such good service were dismissed at the request of Mr. C. E. Dube, the mayor of Riviere-du-Loup and the perpetual Tory candidate in Temiscouata county?

Mr. STEWART (Leeds): I have no doubt that these men had rendered excellent service before July 28 but it was found that their services were not as necessary after that date as they had been before.

Mr. POULIOT: I ask again if those men who were working in July were dismissed at the request of Mr. C. E. Dube, the perpetual Tory candidate in Temiscouata county.

Mr. STEWART (Leeds): I can assure my hon. friend they were not.

Mr. POULIOT: Were new men appointed on the recommendation of the same Mr. Dube, whether he can be described as a gentleman, lady or anything else?

Mr. STEWART (Leeds): The foreman made a selection of the new men, but I do not know upon whose recommendation or upon whose advice he acted.

Mr. POULIOT: I am getting nearer and nearer to an answer. Who recommended the appointment of the foreman?

Mr. STEWART (Leeds): The district engineer was instructed to look around and obtain a first class foreman.

Mr. POULIOT: Who recommended that man to the district engineer?

Mr. STEWART (Leeds): I really do not know.

Mr. POULIOT: Will the minister be kind enough to tell me what instructions he gave to the district engineer in that respect, or to the chief engineer in order that he pass those instructions on to the district engineer, or to the deputy minister to be given to the secretary of the department and then passed on to the chief engineer, so that the latter might communicate with the district engineer?

Mr. STEWART (Leeds): Being rather inexperienced when I came into the department, I gave instructions to the officials that in matters of this kind the usual course should be followed.

Mr. POULIOT: What is the usual course?

Mr. STEWART (Leeds): I really do not know.

Mr. POULIOT: Am I to assume from the unwillingness of the minister to answer my question that that is all the information I can get? This is a very serious matter and I am trying to find out just what has been done. The employees to whom I refer had been working there for some years and had been doing their work to the entire satisfaction of the department. Although the work was done by day labour it is a rather surprising fact that the expenditure was always kept within the vote for that purpose. Last year there was a change in the personnel of the day labourers employed on that work. According to information that I have received from a reliable source, a certain man was appointed as foreman upon the recommendation of Mr. Dubé, the defeated Tory candidate in Temiscouata. He took the place of the foreman who had previously been employed on that work. What happened was a real scandal. There is no reason to laugh about it, because money was stolen from this country by the last foreman who had to pay it back to the department afterwards. I would ask the minister if he has kept on file in his department the original pay lists which were sent by that foreman to the district engineer—the original pay lists, not the revised ones.

Mr. STEWART (Leeds): Anything that was ever on file on the department is there still. Instructions have been given to the district engineer to investigate this alleged irregularity to the bottom. When I get his report I purpose handing the matter over to the Department of Justice for whatever action may be necessary.

Mr. POULIOT: That is very satisfactory, but I wish to stress the fact that that man was a very lazy fellow and unable to do

his work satisfactorily. He was appointed, as everyone knows, on the recommendation of the defeated Tory candidate in my county. I have been told by reliable people—I cannot state whether or not it is the fact, and that is why I am asking for information—that this foreman paid a few dollars to some men in order to receive from them their pay cheques, when they had not been working on the job. These men were supposed to receive a sum from the foreman in consideration of their handing their cheques over to him. That is one version. Another version is that he put on the pay list the names of men who had never worked there at all. I know that some people who had been working on the wharf were not paid in full and they complained to the district engineer. The district engineer showed them the pay list, and this is the story which they told when they came back to their home town. After seeing the pay list they said, "How is it that those names appear in the list? This and that man never worked with us," and so on. They said that there were ten or fifteen names on the list of men who had not done any work at all on the wharf. That is a scandal, Mr. Chairman. There is something else. That foreman is publicly accused of having stolen from this country quite a substantial sum of money.

Mr. MacDONALD (Cape Breton): Would it not be fair, now that the minister has promised an investigation, not to press the matter further in the house where this man has no chance to answer?

Mr. POULIOT: I will tell my hon. friend, whom I like very much, that I am simply according to the minister the treatment I would like to receive from him. I am giving him information.

Mr. MacDONALD (Cape Breton): But he has promised a full investigation.

Mr. POULIOT: That is all right, but he was unwilling to tell me who had recommended that foreman. He would not say yes or no, and my people are anxious to know who is at the bottom of this thing, who recommended that man who gave such unsatisfactory service to the government. I do not wish the Department of Justice to do any harm to that man. He has a large family, and has paid all or part of the money, but I do not want to see such things happen again either in my constituency or anywhere else. This is only fair. It may happen that people do things that are wrong, but I have never been hard on them because I believe more in the New Testament than in the Old. I believe in charity, and although a large family is not an excuse for wrongdoing, it sometimes explains certain acts.

There is this further fact; that man was very seldom on his job. Nearly every day I saw him motoring in and around the city of Riviere du Loup. He even motored to Notre Dame du Lac on Sundays with his family at the expense of the government. I have been told that there have been four chauffeurs who were supposed to carry the men to their work and back home in the evening, as had been done in previous years by only one. Those chauffeurs were pretty numerous, and some were taking this foreman and his family on joy rides all around the county at the public expense.

Mr. McGIBBON: How many years has that been going on?

Mr. POULIOT: It happened only after the 1st of August, after this man was put in charge. It was never done before to my knowledge. If it had been, and I had heard about it, I would have written to the then minister and asked him to stop it at once. This is a serious matter, Mr. Chairman. I do not wish to implicate the minister at all. I gave him before all the information I had, and it was necessarily incomplete. That is why I asked him who had recommended this man.

Mr. STEWART (Leeds): I have told my hon. friend that I do not know who recommended to the district engineer the appointment of this foreman. I can only repeat that, although my hon. friend is probably correct in his inference. I want to say that my hon. friend did give me this information, and we had some information of a similar nature before that. An investigation was started promptly. It is not yet finished. I know that a certain part of the money has been refunded. The district engineer has instructions to investigate the matter to the bottom.

I am not concerned with the past, and I do not want to enter into any recriminations, but it might be interesting to tell my hon. friend that in connection with two cases in the department I have information beyond a doubt that under the former administration work was paid for when work was not done. That has been admitted, and a cheque returned to the department, with no valid excuse whatever being given. The matter has been handed over to the Department of Justice. I have information that in another case, while the election was in progress, men were paid for their time while attending

political meetings. At the expense of Canada they were taken in trucks from place to place to attend political meetings. But, as I say, I am not concerned particularly with the past. I am, however, anxious and determined that the administration of the Public Works department, so long as I am responsible for it, shall be clean and creditable to this government and creditable to the House of Commons. I think reflections upon the government reflect also upon the House of Commons, and I welcome the information my hon. friend has given me. I want to say to him and to every hon. member of the house that if irregularities come to light, matters of dishonesty anywhere in Canada in connection with the department over which I have the honour to preside, I shall be pleased, if information is furnished me, to make investigations and prosecutions regardless of party connections.

Mr. POULIOT: I thank the minister very much for his very satisfactory explanation. I wish to add that with full knowledge of what has happened, in my constituency to my knowledge such a thing has never happened before. May I state to him, as I stated on a previous occasion when I was making recommendations to the department, that I do not want the minister to deal harshly with anybody. Very often I have helped men who had voted against me and from whom I had nothing to expect. They were only acts of a humane nature, and the only reason I have spoken as I have is that I want things done properly in my county. Whether the minister decides to spend $100,000 or $25,000 in my constituency, I want the expenditures to be made for the actual purpose for which they are intended. Up to last August I do not think the department had any complaint about the work done in my constituency. I have taken the trouble to recommend people who were worthy of recommendation. Hon. ministers previously at the head of the Department of Public Works would be in a position to inform the hon. gentleman in that respect.

Last year a substantial amount of money was voted to put metal sheeting on the wharf at Rivière du Loup, for the purpose of protecting the wharf against the strong currents at the head of the wharf between Rivière du Loup and the St. Lawrence river. That work has not been done. Payment for it was provided for in the $22,100 voted last year. May I say that the work done in my constituency after the present government took office last year was done by very lazy fellows who seemed to require five or ten minutes to drive a single nail. I do not know what happened in other places, but it happened that way in my constituency. They were doing no work; they were prolonging the job only in order to get more money from the department. My constituents understand very well that the party in power can appoint their own men to do work. However, I would ask the minister to give definite instructions to his officers so that good work may be done in the future. Last year the Tory candidate said that the money was not all to be spent last year because certain sums were required this year to build an extension to the wharf. As I am not a civil engineer, I do not know whether that extension is desirable or not, but I believe sincerely that the money voted for that purpose should have been spent along the lines first suggested by the department. Instructions in conformity with the wishes of the department should have been given to the district engineer and through him to the foremen. I hope the money revoted this year will be spent to complete the work begun last year. If that sum is not sufficient I would ask the minister to have more money appropriated in order to have the work completed fully by next fall, as it was primarily intended to be completed last fall.

Again I thank the minister for his courtesy and I would repeat that I do not want him to deal harshly with that man. I mentioned this particular case because of the fact that since a few years ago some very disreputable things have been done in my constituency. I hereby notify the hon. gentleman accordingly.

Mr. CHAPLIN: It seems to me that the constituency of the hon. gentleman who has just taken his seat has during this session been very well advertised. I think if the minister would build a station at Rivière du Loup we might proceed more quickly with the work of the committtee.

I would like to ask the minister how it happened that a work valued at $22,000 was done without a contract. My understanding of these matters is that any piece of work involving a sum of money over $5,000 must be done by contract. Here we have an item of $22,000 done by day labour. It is all very well to say "I recommended that in order to give certain people work", but I would like to know if people would not have got work if there had been a contract.

Mr. POWER: That is the trouble, they got work under contract. That is the kick.

Mr. CHAPLIN: Work can be done cheaper the other way, and the work referred to as being done by day labour could have been done by contract.

Sir EUGENE FISET: I would ask the minister to refer to a vote contained at page 38 of the estimates, "Rimouski—harbour improvements—the Foundation Maritime Limited to contribute one-third of the cost of pier extension—under contract. . ."

Mr. CHAPLIN: I would like the minister to answer the question why this work was not done under contract.

Mr. STEWART (Leeds): In reply to the hon. member for Lincoln I can say only that he is correct in his interpretation of the Public Works Act. It is provided specifically that for any works exceeding in value $5,000 tenders should be asked and the contracts awarded in pursuance of those tenders. However there are a few exceptions and apparently the hon. member for Temiscouata was able to convince the minister of the day that this work could be done more advantageously by day labour. Representations were made to that effect and as has already been explained the work was begun by day labour under a former administration.

Mr. POULIOT: I would ask the hon. gentleman if that work will be done by contract or by day labour?

Mr. STEWART (Leeds): The work having been begun by day labour and having been carried on to a stage at which a contract could not be let, it will be continued by day labour.

Mr. POULIOT: I have just a word to say to my hon. friend from Lincoln. Although he knows we all like him, I am sorry that the word "grouch" is not parliamentary because I would have used it this time. However I do not understand that he is complaining about my utterances in the house. I have always been very polite to him and if I have had to urge upon the government the necessity of building a new station at Rivière du Loup it is because the station is not yet built. If the station had been built I would have thanked the government on behalf of my people and it would have been unnecessary to make a speech in that connection.

Mr. CHAPLIN: "A" speech.

Mr. POULIOT: May I suggest to the hon. gentleman that at the next Conservative caucus he might tell the government—

The ACTING CHAIRMAN (Mr. Hanson, York-Sunbury): I would remind the hon. member that we are discussing the appropriations for harbours and rivers in Quebec, not railway stations. He must confine his remarks to the item before the committee.

[Mr. Chaplin.]

Mr. POULIOT: What I wish to say can be said in a sentence. Before the hon. gentleman from Lincoln brings the matter before his party caucus it might be well for him to insure his life.

Sir EUGENE FISET: With reference to the vote on page 38 of the estimates to which I called attention a moment ago, are the Foundation Company going to be compelled to pay the one-third that they have agreed to pay for the work? The minister will recall a petition he has received from the chamber of commerce of Rimouski, supported by the seven navigation companies operating between Rimouski and the north shore, asking that the channel be enlarged 400 feet and deepened 22 feet. Of course, I quite understand that with the present necessity for economy the government is not asking for any appropriation for these works. But would it not be possible by using a government dredge to take off the hog's-backs that have developed in the deep channel and so enable the navigation companies to bring their vessels up to the wharves to be loaded? I do not think the cost would be very high, and it could be paid out of the general vote for dredging. No doubt the minister realizes how important it is to have this work done at the earliest possible date in the spring. The boats of these seven companies operating between Rimouski and the north shore provide the lower St. Lawrence with a local market, the importance of which cannot possibly be exaggerated. The whole north shore within the last ten years has developed so rapidly that the former population of 500 has now become about 20,000. This population has to depend upon supplies coming from the south shore, and Rimouski being the main port of the lower St. Lawrence, the minister will understand how important it is not to interrupt the good work which has been carried on in years past. I hope he will be able to instruct his deputy to detail one of his dredges to undertake the dredging that is necessary to give a uniform depth of 17 feet to the channel, which it was when first dredged.

Mr. STEWART (Leeds): With regard to the payment by the Foundation Company of their agreed portion of the cost of the work, I am advised that the obstructions which he mentions do not interfere with their ships coming into the wharves.

Sir EUGENE FISET: I am sorry to hear the minister's statement. One of the reasons why I am asking for this dredging is that the company's boats draw nearly 16 feet, and at

low tide cannot reach the wharf. I think it was part of their contract that they would pay one-third of the cost provided the channel was kept dredged to a uniform depth of 17 feet.

Mr. STEWART (Leeds): The latest information we have is from the manager. He was in the office recently and said that he is quite satisfied with the conditions there.

Sir EUGENE FISET: Then, so am I.

Mr. STEWART (Leeds): There is no reason why any further dredging should be done before they are paid.

Sir EUGENE FISET: The Clark Shipping Company intends to operate a very large boat called the North Shore, and she will call at Rimouski. This boat can hardly reach the wharf at low tide. The dredging to be done does not amount to much. It is necessary in order to remove the hog's-backs that have formed there. Of course, the minister is aware of the representations from the chamber of commerce at Rimouski, the Clark Shipping Company and Price Bros., asking for a combined vote to dredge the larger channel 400 feet and at the same time the Rimouski river. Of course I understand that for reasons of economy the minister has not been able to give favourable consideration to the request, but I hope it will not be lost sight of.

Mr. STEWART (Leeds): It will be carefully studied.

Mr. POULIOT: I can promise the minister that I will never criticize him for granting requests for appropriations for repairs and improvements to wharves in my constituency. May I tell him that the people on the island of Notre Dame de l'Ile have to come to the south shore by water? I understand a contract has been awarded for an extension of the local wharf. I hope the work will be done this year. There are other works required at Ile Verte, at Trois Pistoles, Tobin, Cacouna, Rivière du Loup, Notre Dame du Portage along the St. Lawrence, and also at Cabano, Squatteck, St. Juste du Lac and Notre Dame du Lac on lake Temiscouata. The settlers in that district have frequent occasion to travel by water, and everything that the department does to improve the local wharf facilities will have my hearty approval.

Mr. STEWART (Leeds): I can assure my hon. friend that it is the intention to carry out all the works in his constituency in respect to which there are votes.

Mr. HANBURY: In view of the great decrease in the estimates, does the minister contemplate any reduction in his engineering staff?

Mr. STEWART (Leeds): The answer is no, for the following reasons. The engineering staff is engaged not only in the supervision of works that are actually being carried on but perhaps the greater part of their time is devoted to investigating the many requests for public works that come from members, which they suggest are necessary in the constituencies. The staff has been undermanned rather than overmanned. I think during the present year we will be able to check up most of the requests. I know the staff will be fully employed, and possibly we will be in better shape at the end of this year to deal with the program for next year.

Mr. McGIBBON: After listening to the energetic member for Temiscouata for almost days and nights advertising his constituency, I think it is my duty to remind him and some other hon. gentlemen opposite that many of us sat to the left of the Speaker for nearly ten years when the Liberal government was in power and got practically nothing.

An hon. MEMBER: You are getting nothing this year.

Mr. McGIBBON: We are quite willing to take nothing this year in view of the conditions prevailing throughout the country. But hon. gentlemen opposite seem to think they should have their hands in the till whether they are in power or in opposition. The riding which I have the honour to represent, and which is an important one from the revenue standpoint, has been literally starved for about ten years. We think it is time that members on this side of the house should have some of the requirements of their constituencies considered. We are not pressing for appropriations this year, but we cannot understand the minds of some hon. gentlemen opposite. After having fed so freely from the public estimates for the last ten years they are still hungry, notwithstanding the serious condition of the public treasury. Now, sir, I want to impress upon the minister that there are other parts of the Dominion of Canada whose wants have been brought to the attention of his department not once but for the last ten years. I think when the time comes, when we can loosen the strings of the treasury, his first consideration should be those constituencies which have received nothing for some years past.

Mr. HANBURY: Conservative constituencies?

Mr. McGIBBON: Yes, Conservative constituencies. I am one of those who believe

in being frank about these things. I took my medicine when I was sitting on the other side of the house and could not get anything; we all had to take that medicine.

Mr. POULIOT: The hon. gentleman should take the medicine he gives to others.

Mr. McGIBBON: I am trying to give the hon. gentleman what I had to take.

Mr. POULIOT: I did not ask the hon. gentleman for a prescription.

Mr. McGIBBON: We take the ground that we are not going to have hon. gentlemen opposite collect the fees while we write the prescriptions. I want to press very strongly upon the minister that this action be taken, and I do not think any member of this house will object to it. We are all human; we all know what we are here for and most of us are pretty good party people. We follow our party sometimes when we differ from it, because of the greater good to the country, but when the time comes, as we hope it will come, when this depression lifts and the treasury contains a little money, we want the needs of the people in those parts of this country which have been neglected looked after before there are any railway stations built in Témiscouata, or new wharves or anything of that kind.

Mr. POULIOT: I have just a word to say—

The CHAIRMAN (Mr. Hanson, York-Sunbury): There is nothing before the Chair.

Harbours and Rivers—New Brunswick

Bedford—wharf repairs, $2,500.
Beresford -- breakwater — under contract. $41,000.
Buctouche — dredging — under contract. $18,000.
Campbellton — repairs to market wharf, $5,000.
Cape Bald—breakwater repairs, $5,000.
Cocagne—wharf repairs, $1,500.
Cumming's cove—wharf repairs, $5,000.
Dalhousie—repairs to ferry wharf—under construction, $2,000.
Harbours and rivers generally—repairs and improvements, $60,000.
Hopewell cape—wharf repairs, $2,000.
Lower Caraquet—wharf repairs, $2,500.
Maugerville—wharf repairs, $1,500.
North Head — breakwater extension — under contract, $113,000.
Point du Chêne—repairs to wharf and breakwater, $5,000.
Point Sapin—breakwater repairs. $3,000.
Portage river—repairs to breakwater and breastworks, $1,000.
Richibucto cape—breakwater repairs—under construction, $3,500.
St. Andrews—harbour improvements, $10,000.

St. George—wharf repairs, $2,000.
St. John river—dredging, $18,600.
St. Stephen—wharf repairs, $5,000.
Scotchtown—wharf repairs, $4,000.
Shippigan gully—repairs to breakwaters and breastworks—under contract, $16,500.
Stuarttown—wharf—under contract, $20,000.
Tracadie harbour—breastworks and breakwaters—under contract, $75,000.
Upper Maugerville—wharf repairs, $3,000.
Waterboro—wharf improvements—under construction, $2,300.
Welchpool—wharf repairs, $3,000.
Westfield—wharf repairs, $3,000.
White's bluff—wharf repairs, $5,000.
Wilmot's—wharf repairs, $3,500.
Wilson's beach—breakwater-wharf repairs, $8,500.—Total, $450,900.

Mr. VENIOT: Before this item carries I would like to have some information. In the first place I wish to tell the minister that I am quite willing to have this resolution pass, but I should like an item to stand until I get the information requested. I am sure the minister is not in a position to give me the information in regard to those letters to-day.

Mr. STEWART (Leeds): I was just thinking that some of the letters to which my hon. friend referred must have been from the Department of Justice. I will see that they are brought down, however.

Mr. VENIOT: There is one letter in the minister's department.

Mr. STEWART (Leeds): I will check up what my hon. friend has said and I can assure him the letters will be brought down.

Mr. VENIOT: When those letters are brought down I may have to discuss harbours and rivers in the province of New Brunswick, so I would like to have one item remain open in order to enable me to do so.

Mr. STEWART (Leeds): I am quite content to do that.

Mr. VENIOT: In the meantime could the minister tell me, under the heading of Shippigan breakwater, who is the inspector there?

Mr. STEWART (Leeds): This amount of $16,500, of which $9,500 is a revote—

Mr. VENIOT: Could the minister just tell me who is the inspector? I know the rest of the details.

Mr. STEWART (Leeds): The contractor is J. S. Parker; the inspector is A. Savoie, and the rate of pay is $4 per day.

Mr. VENIOT: Is the contractor at work at the present time?

Mr. STEWART (Leeds): I am not able to say definitely; if he is not at work now it is expected he will resume in the near future. Work was discontinued during the winter.

Mr. VENIOT: With the understanding that one item is to remain open, say the Tracadie item, the remainder might pass.

Item stands.

Prince Edward Island

Belle river harbour—breakwater repairs, $1,500.
China point—wharf repairs, $2,000.
Cranberry—wharf repairs, $2,400.
Graham's pond—breakwater repairs, $1,000.
Grand river (north)—wharf repairs, $2,000.
Harbours and rivers generally—repairs and improvements, $15,000.
Hickey's—wharf repairs, $2,000.
Lambert's (Montague)—wharf repairs, $1,500.
Miminigash harbour—breakwater repairs—under construction, $1,000.
North lake harbour—breakwater repairs, $1,700.
Pownal—wharf repairs, $2,200.
Rustico harbour—breakwater repairs, $2,700.
Sturgeon—wharf repairs, $2,500.
Summerside—wharf repairs—under contract, $8,000.
Tignish harbour—repairs to breakwater, $5,000.—Total, $50,500.

Mr. MacLEAN: I would like to ask the minister for some information with regard to the revote for the wharf at Summerside, Prince Edward Island. Would the minister give the names of the tenderers and the amounts of the tenders?

Mr. STEWART (Leeds): The amount of the contract was $7,380. The work under contract consists of rebuilding the eastern face of the pierhead for a length of 349 feet, with creosoted piling, and so on. Tenders were called for in July, 1930, and the contract was awarded on September 17, 1930. The work was not proceeded with until late, and it has not been completed. The contractor is H. M. Downing and the amount of the contract is $7,380. The date for completion is February 1, 1931, which has been extended to July 1 1931.

Mr. MacLEAN: Would the minister give the other tenders which were submitted?

Mr. STEWART (Leeds): The following tenders were received, four in all: J. E. Campbell, Summerside, $7,380; W. R. Maynard, $7,472; Everett McLeod and Duncan McKenzie, French River, $8,280; Henry J. Phillips and P. G. Clarke, Summerside, $8,770.

Mr. MacLEAN: It was intimated, when tenders were called for, that J. H. Campbell's was the lowest, and I think he was notified to that effect. Later on the contract was transferred from Campbell to Maynard, and I should like to know how Mr. Downing came into the picture. It appears that Mr. Campbell was notified that his tender was the lowest; Mr. Maynard then took over the contract and sent in his deposit cheque, and it was understood that he would proceed with the work. He was ready to proceed and was waiting for orders, but those orders never came through. What I fail to understand is this: If it is the declared policy of the department to accept the lowest tender in every case, how was it that Mr. Downing's tender was not accepted in the first place?

Mr. STEWART (Leeds): I am very glad my hon. friend has mentioned this, because he made a statement some days ago when this matter was up in connection with the supplementary estimates. At that time the information was not available, but I have it here now. Under date of August 5, 1930, authority was granted to accept the lowest tender, namely that of J. E. Campbell of Summerside, for the work mentioned. Under date of August 5, the hon. member (Mr MacLean) wired the deputy minister of Public Works as follows:

> Request from Campbell on July 29 to withdraw tender for railway wharf Summerside wire if request has been granted.

To which the following reply was made by the deputy minister under date of August 5:

> Department can allow Campbell to withdraw tender railway wharf Summerside only provided deposit is forfeited or whatever portion thereof necessary to make up amount of next lowest tender which is seventy-four hundred seventy-two dollars fifty cents if second tenderer now willing to take contract at price of his bid.

On August 7, Mr. Campbell wired that he had arranged with the next lowest tenderer, namely, W. R. Maynard, Northam, Prince Edward Island, to take over contract at his figures, and stated he was forwarding his, Mr. Maynard's, deposit cheque. The hon. member for Prince Iso wired on August 7 to the same effect and was advised that the Campbell cheque would be returned as soon as the next lowest tenderer's deposit was received. Mr. Campbell's security cheque of $738 was returned to him on August 22, 1930; there being no interest as it was sent to the Department of Finance on July 31, 1930. Mr. Maynard's cheque for $738 was received and sent to the accountant on August 15, 1930, and to the Finance department on August 21, 1930. As no action was taken upon Mr. Maynard's offer to take over the contract, the returning of his security

deposit was overlooked. Mr. Maynard's security deposit was returned to him only on February 24, 1931, by a cheque for $747.22, which covered the amount of the deposit of $738 plus $9.22 for interest. I believe my hon. friend said his deposit cheque had not been returned to him. It was returned with interest.

Mr. STEWART (Edmonton): Did the second tenderer tender at the same price as the first?

Mr. STEWART (Leeds): It was ultimately arranged that he should take it at the lower price. It had been suggested to the department that Mr. H. M. Downing, contractor, Summerside, would take over Mr. Campbell's contract and an order in council was passed under date of September 15, granting authority to award the contract to Mr. Downing at the price of the tender of Mr. Maynard, namely, $7,380. Instructions were accordingly issued, but to accommodate the early fall shipping of potatoes the commencement of the work was held over until the close of navigation, when weather conditions were unfavourable to the carrying out of the contract. The date set for the completion has been extended from February 1, 1931, to July 1, 1931, as work cannot be satisfactorily carried out in Summerside harbour owing to heavy ice conditions during the winter months. That was the condition of the contract when I came in.

Mr. MacLEAN: There was only a difference of $90 between the tenders of Mr. Campbell and Mr. Maynard, and for reasons which I cannot explain—Mr. Campbell had other interests—they agreed that Mr. Maynard should take it over. The department wrote to Mr. Maynard and told him to forward his deposit cheque, which he did; and, as the minister has stated, that cheque was held at the department from last July, or possibly it was earlier than that.

Mr. STEWART (Leeds): It was returned with interest.

Mr. MacLEAN: Yes. But during all that time this gentleman thought he had the contract and was waiting every day to proceed with the work.

Mr. STEWART (Leeds): He may have thought he was going to get it, but he cannot have thought that he had the contract. He had no notice from the department that the contract had been awarded to him.

Mr. MacLEAN: Why did they tell Mr. Maynard to forward his cheque? He must have been notified that the cheque was accepted.

[Mr. H. A. Stewart.]

Mr. STEWART (Leeds): No.

Mr. MacLEAN: I shall have to put a motion on the order paper asking for the correspondence.

Mr. STEWART (Leeds): I wish the hon. member would do so.

Mr. MacLEAN: The minister has told the committee that Mr. Downing got the contract by order in council. What I should like him to explain is this: If Mr. Downing's tender was the lowest in the first place, why was not the contract given to him, if it is the policy of the government to accept the lowest tender?

Mr. STEWART (Leeds): Mr. Campbell's was the lowest tender—$7,380. And when he withdrew, then—

Mr. MacLEAN: Mr. Maynard took it over.

Mr. STEWART (Leeds): It was given to Mr. Downing.

Mr. MacLEAN: Why was not Maynard allowed to proceed with the work?

Mr. VENIOT: The department asked Maynard for his deposit cheque and he sent it on, and after that the other man came down to Maynard's price.

Mr. STEWART (Leeds): When the lowest tenderer withdraws his tender the practice of the department is, I believe, to award it to any person who will take it for the amount of the lowest tender. They feel free to do so.

Mr. STEWART (Edmonton): This is rather a curious procedure. The tender of the lowest tenderer is accepted; his cheque is in the hands of the department; and then an arrangement is subsequently entered into between two contractors whereby the original contractor transfers the contract to the second party. If the department had refused to take on the second party, one could understand the transaction. But the cheque of the second tenderer was accepted. The contract was to be apparently at the same price as the original tender which was accepted by the government. What has happened since that, when the cheque is retained, and another party enters into the arrangement and receives the contract —that is the information we are after.

Mr. STEWART (Leeds): Every tender is accompanied by a cheque, and when the contract is disposed of it is returned. In one case apparently the return of the cheque was overlooked.

Mr. STEWART (Edmonton): I am not inquiring about that. I am asking why the

second cheque was accepted by the department and retained by them. It was definitely understood that the original tenderer, a man named Campbell, was not prepared to go on with the work. A second tenderer comes on the scene; Campbell's cheque is returned; the cheque of the second tenderer is retained, and he subsequently finds out that another man has the contract. The work is being performed by a third party. That is what we do not understand.

Mr. STEWART (Leeds): At the lowest tenderer's price.

Mr. STEWART (Edmonton): That does not enter into the transaction at all. The cheque of the second tenderer was accepted by the department. It was clearly the intention to give the work to Campbell if he performed it, and evidently an arrangement was made with one Maynard, who was the second tenderer, at the same price for which Campbell had tendered. His cheque was accepted, and now we discover that a third party has entered into the arrangement, who evidently had tendered at a much higher price.

Mr. VENIOT: Did Downing tender previous to—

Mr. STEWART (Leeds): Originally Mr. Downing did not tender.

Mr. VENIOT: Which makes it all the worse.

Mr. DUFF: Were new tenders called for by advertisement?

Mr. STEWART (Leeds): It was all arranged between the parties and the price was satisfactory.

Mr. DUFF: How did Downing get the contract; how did he enter into the picture if he had made no tender?

Mr. STEWART (Leeds): The lowest tenderer asked to be allowed to withdraw his tender.

Mr. MacLEAN: Mr. Chairman, the situation is this: Mr. Campbell was the lowest tenderer and he was advised to that effect. He decided that he would not accept and Maynard being the next lowest tenderer, he and Campbell agreed that Maynard would take the contract at the original lowest tender price. The department signified their willingness to that arrangement and the contract was transferred to Maynard and he was requested to send in a deposit cheque, which he did. The departement may say that no contract was entered into, but I claim that that action was equivalent to entering into a contract. A man had been advised by letter from the department that his tender was the lowest and had been accepted. He was asked to forward his cheque, which he did, but we now find that Mr. Downing has been awarded the contract, a gentleman who never tendered in the first place and who never entered into the picture until February last, when Mr. Maynard was notified that Mr. Downing had the contract. These facts should be brought out because we should know whether or not the department is going to follow the practice of awarding contracts after a tender has been accepted and the deposit cheque received and held for many months. After that procedure has been followed, is the department going to permit another man to submit a tender without advertising for new tenders? I think the committee and the country should have a full explanation of the whole thing.

Mr. STEWART (Leeds): My hon. friend has not quite correctly got the facts. The cheque of the second tenderer accompanied his tender; there was no cheque sent in as my hon. friend suggested. The cheque was retained and then returned with interest.

Mr. MacDONALD (South Cape Breton): He was never notified.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CIVIL SERVICE ACT AMENDMENT

PREFERENCE TO CANADIAN VETERANS RESIDENT IN CANADA FIVE YEARS

Mr. O. L. BOULANGER (Bellechasse) moved the second reading of Bill No. 18, to amend the Civil Service Act (returned soldiers' preference).

Some hon. MEMBERS: Explain.

Mr. BOULANGER: The first matter with which this bill deals is to amend section 29 of the Civil Service Act. Paragraph 4 of section 29 reads:

> In all examinations for entrance into the civil service the persons named on such special list who are found to possess the necessary qualifications, shall be named, in the order of merit, on the list of successful candidates above all other candidates; and all other persons who have been on active service overseas on the military forces or who have served on the high seas in a seagoing ship of war in the naval forces of His Majesty, or of any of the allies of His Majesty, during the war, who have left such service with an honourable record, or who

have been honourably discharged, or when any persons who have served as aforesaid have died, owing to such service, the widows of such persons, and who, in either case, obtain sufficient marks to pass such examinations shall, irrespective of the marks they have obtained, be named in the order of merit, on the list of successful candidates next after any candidates who are on the special list mentioned in subsection 2 of this section and above all other candidates.

That means that all veterans, not merely of the Canadian army but of all the allied armies who took part in the Great war, have a preference over all other candidates in civil service examinations. I claim that we were a little too generous when we passed that section. It would have been all right to grant a preference to Canadian veterans, but not to the veterans of any of the allied armies. According to the law as it now is, veterans of the Serbian army or of the Roumanian army or of the American army or of the Japanese army or of the Portuguese army or of any other army which took part in the great war on our side can claim a preference in civil service appointments over the civilian Canadian candidates.

Mr. MANION: Does my hon. friend know of any case—I ask for information—where any veteran outside of the Canadian army has been given a preference over civilian candidates?

Mr. BOULANGER: No, not of my own knowledge, but it is possible there might have been such cases.

Mr. VENIOT: I know of such cases, and could name them.

Mr. MANION: What army did they belong to?

Mr. VENIOT: They were veterans of the imperial army.

Mr. BOULANGER: All that is necessary in order that veterans of any of the allied armies may qualify for the preference under section 29 of the Civil Service Act is to show that they have resided in Canada for three years. As I said in reply to the minister, I personally do not know of any, but there must have been such cases.

Mr. HANSON (York-Sunbury): Is it the declared object of this bill to cut off the preference to veterans of the British army?

Mr. BOULANGER: Yes. The intention is to restrict the preference to veterans of the Canadian army. Under the law as it stands, ridiculous cases may arise. Take the case of a Russian who fought on our side during the war in the Russian army. He comes to Canada, resides here three years, and takes the civil service examination; and although we have severed all relations, trade, diplomatic and otherwise, with Russia, this Russian veteran is given a preference over the civilian Canadian.

Mr. WOODSWORTH: Why not?

Mr. BOULANGER: The object of the bill is to restrict the preference with respect to veterans to those who served in the Canadian army. That is the first object of the bill. By Canadian veterans is meant Canadian veterans as defined in the Canadian Nationals Act, chapter 21 of the revised statutes, which defines what a Canadian national is. Section 2 of chapter 21 of the revised statutes provides:

The following persons are Canadian nationals, viz.:—

(a) any British subject who is a Canadian citizen within the meaning of the Immigration Act;

(b) the wife of any such citizen;

(c) any person born out of Canada, whose father was a Canadian national at the time of that person's death, or with regard to persons born before the third day of May, one thousand nine hundred and twenty-one, any person whose father at the time of such birth, possessed all the qualifications of a Canadian national, as defined in this act.

The Canadian Nationals Act refers to the Immigration Act, and section 2 of the Immigration Act, chapter 93 of the revised statutes, provides:

In this act, and in all orders in council, proclamations and regulations made hereunder, unless the context otherwise requires,

(a) "alien" means a person who is not a British subject;

(b) "Canadian citizen" means

(i) A person born in Canada who has not become an alien;

(ii) A British subject who has Canadian domicile; or

(iii) A person naturalized under the laws of Canada who has not subsequently become an alien or lost Canadian domicile:

Provided that for the purpose of this act a woman who has not been landed in Canada shall not be held to have acquired Canadian citizenship by virtue of her husband being a Canadian citizen; neither shall a child who has not been landed in Canada be held to have acquired Canadian citizenship through its father or mother being a Canadian citizen.

Further on in the same act domicile is defined as follows:

"Domicile" means the place in which a person has his home, or in which he resides, or to which he returns as his place of permanent abode, and does not mean the place where he resides for a mere special or temporary purpose;

Canadian domicile can only be acquired, for the purposes of this act, by a person having his domicile for at least five years in Canada after having been landed therein within the meaning of this act.

The purpose of the amendment, therefore, is to restrict the soldiers' preference in civil service appointments to Canadian veterans, and Canadian veterans are those defined as Canadian nationals: that is, all veterans who enlisted in the Canadian army and who at the time they made application to enter the civil service were Canadian citizens, having resided in Canada for at least five years.

I wish to point out at once that the object of the bill is not to do away with the preference in favour of Canadian veterans. We wish to keep the preference in favour of Canadian veterans. I cannot make that too clear because some misrepresentation or misstatements have appeared in the press as to the object of the bill. The object of the bill, I repeat, is not to cut off the preference to Canadian soldiers as regards appointments to the civil service. The only restriction made by the bill is to apply the preference to Canadians only, excluding the veterans of armies other than that of Canada. That is the chief object of the bill.

The next object of the bill is to amend section 33 of the Civil Service Act. The first paragraph of section 33 of the act as it stands reads as follows:

> No person shall, without the authority of the governor in council, be admitted to any examination unless he is a natural born or naturalized British subject and also has been a resident of Canada for at least three years.

The amendment proposed by the bill is to change the term of three years residence to a term of five years. I believe this change would be in accordance with our whole system of granting Canadian citizenship to aliens. As the law stands at the present time a residence of five years is required before a man is granted Canadian citizenship. Within five years of his entry into Canada a man can be deported. A man cannot be naturalized as a Canadian citizen unless he has resided in Canada for a term of five years, and he is not granted the right to vote unless he is here for a similar period. I respectfully submit that the same requirements should apply when application is made for a position in the Canadian civil service. If it is proper to stipulate a period of five years before a vote is allowed, if it is right that five years' residence must be established before a person may become a citizen of this country, then a similar period should be necessary before a person obtains a position in the public service. That is the purpose of the second amendement.

A further amendment is offered by the bill. A sort of abuse has crept into the administration of the Civil Service Act in regard to the requirement of three years' residence. The act states that a man may not make application for a position in the civil service unless he has resided three years in Canada. Exceptions to the rule can be made by the governor in council. We want to restore the law to its former strength, because in that regard abuses have entered into the administration of the act. At the present time instead of exceptions being made by the governor general in council or the cabinet, they are being made by the Civil Service Commission without any reference to the cabinet, by virtue of a regulation which the Civil Service Commission passed some years ago. Regulation No. 11 reads as follows:

> 11. In cases where, after due publicity, the commission has been unable to secure an adequately qualified applicant with the necessary three years' residence in Canada, persons may be admitted to examination despite the fact that they have not resided in Canada for three years, provided they are otherwise qualified under the law and regulations.

I submit it is illegal by regulation to amend the statute as has been done in this case by the Civil Service Commission. Last year at my request a return was made in this house showing a list of persons who have been admitted into the civil service of Canada without complying with the provision of the Civil Service Act regarding residence. This list is amazing. If I had time I would like to read the return to the house and let hon. members judge the abuses which have arisen out of regulation No. 11 of the Civil Service Commission. Since the regulation has been in force some nineteen or twenty prison guards have been given positions in Canadian penitentiaries without having resided in Canada for three years. All sorts of positions such as that of telegrapher, caretaker, stenographer and so on have been granted to aliens who have not resided in Canada for the requisite period. I am sure the government has no knowledge of those exceptions. They were made by the Civil Service Commission by virtue of the regulation I have just read.

A little insignificant paper published in Montreal has tried to make political capital out of the information I secured last year. They have even stated that I was able to secure the information this year on account of the change in the government. I want to make it very clear to the house that the report was tabled during the regular session of 1930 and is dated April 28 of that year.

What has taken place in connection with penitentiaries has taken place also in the aviation and radio services. Many employees have been given positions who have not resided three years in Canada. It is the wish

of hon. members who favour this bill to have these exceptions cease. If an order in council has to be passed every time an exception is demanded, more difficulty will be experienced and the abuse to which I referred a minute ago will not continue. Surely it is possible to find men in Canada who will act as prison guards and chiefs of services. Members of the Civil Service Commission should not have such matters left in their own hands. If exceptions are to be made to the Civil Service Act they should be made in each case by the governor in council and by the cabinet; they should not be made by chiefs of services, heads of branches or civil service commissioners. The Montreal paper I mentioned a minute ago blamed the former Minister of Justice (Mr. Lapointe) and the former minister of Marine (Mr. Cardin) because prison guards had been allowed into the service without complying with the qualification as to residence. I am sure neither of those gentlemen had any knowledge that such a condition of affairs existed and that appointments to positions in the civil service of Canada had been made without regard to the provision of the act respecting residence.

In as few words as possible I have tried to outline the objects of the amendments embodied in this bill. I believe the spirit of the bill is in accordance with the Canada first policy of the present government, and I am sure the government will approve the bill and support it. I trust therefore that the Civil Service Act will be amended as the proposed measure suggests. Not only are we for the Canada first policy but we are also for Canadians first and especially should that policy apply in the matter of the filling of civil service positions. Certainly that is one place where Canadians should be first.

Hon. J. L. RALSTON (Shelburne-Yarmouth): I want to say only a few words in connection with this bill. My fear about it is that it may be the thin end of the wedge with regard to the returned soldiers' preference. For some time there has been provision on the statute book for a preference to ex-service men. While there have been resolutions on the order paper dealing with the matter, this is perhaps the first bill which has attempted to alter the preference given, and for that reason, along with another one I am going to mention, I feel I must oppose the first section of the bill. The other reason is that practically ever since the Civil Service Act was passed we have given a preference to veterans of the allies. The recognition of imperial veterans has gone so far that under our pension act, we equalize the pensions to imperial veterans in this country who were residents here at the beginning of the war in order that there may be no discrimination, and that in respect of British subjects who may have been on the same field of battle and who live in Canada side by side there shall not be a difference in the compensation paid to them on account of their disability.

Mr. BOULANGER: Does the hon. member know of any country associated with us in the war that gives a preference to Canadian soldiers in its civil service?

Mr. RALSTON: I have never made any inquiry. I can only deal with the situation as we have it and discuss the principle which we have adopted. That principle is that there shall not be any discrimination between Canadian and imperial veterans—if they lived in Canada before the war—in regard to pensions. We have contributed directly from the treasury in order to see to it that these British comrades living in Canada shall receive pensions equal to those received by Canadian returned soldiers. They have enjoyed the same preference under the Civil Service Act, and it seems to me that now to begin to discriminate between them is a mistake. I know my hon. friend has the highest motives in introducing his bill. He feels, as no doubt many others do, that if a Canadian veteran is an applicant for a position, and an ex-service man from Great Britain or one of our sister dominions is also an applicant, the Canadian should be given the preference. But for a long time we have laid down the principle of equality, and have given effect to it. I think it is hardly worth while to begin to change now—and I cannot support the first section of the bill.

With regard to the other section, I have a good deal of sympathy with what the hon. member says in support of it. He has indicated a situation that is not by any means desirable. It does seem to me that if the positions he refers to have to be filled by those with less than the required three years' residence, there must be something seriously wrong in the administration of the Civil Service Act. If he could see fit in some way to separate these sections so that his bill would not involve taking away the preference to certain returned soldiers, but would remedy the other conditions that he speaks of, I should be very glad indeed to support it. But I do not want to go to the length of supporting a bill which would require a residence of five years for a civil servant who may come from Great Britain. Perhaps my hon. friend has

noted that there is before the house at the present time a bill, No. 24, defining Canadian nationals, and it may be that his second section will not fit in very well with the provisions of that bill if it is adopted.

Might I suggest to the hon. member that he allow his bill to stand until bill No. 24 has been considered, and see if it is not then possible for him to get our support for the second section of his bill. I wish I could support the measure as a whole for I know his zeal and earnestness in introducing it.

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, I find myself in agreement with the remarks of the hon. gentleman (Mr. Ralston) who has just taken his seat. I appreciate that we should not impute motives to the hon. gentleman who has introduced this bill, but I cannot help thinking it is aimed directly at the imperial veterans in this country who saw service overseas. I cannot see any other purpose in bringing forward the bill if that be not the governing motive. In my part of the country a number of these imperial veterans are settled, and I should hate to think that, even though they had lived here for a long period of years, they were not eligible for appointment to the civil service. For that reason and for the reasons stated by the hon. member for Shelburne-Yarmouth, I am opposed to the bill.

As to the second section, I cannot understand how the Civil Service Commission can have any legal authority to make regulations admitting to examination any person who has not been a resident of Canada for at least three years. Section 5 of the Civil Service Act provides:

> 5. The commission may make such regulations as it deems necessary or convenient for carrying out the provisions of this act, including regulations governing the performance by the commission of its own duties hereunder.
>
> All such regulations shall be subject to the approval of the governor in council and shall be published in the Canada Gazette.

That means, if it means anything, that the Civil Service Commission has authority only to make regulations which will not be in contravention of the provisions of the act. If I understood the hon. member correctly, he said that the commission have made a regulation which is in contravention of section 33 of the act. I submit that any regulation so issued could have no force or effect. The regulations contemplated by section 5 are only such as may be regarded as administrative, and before they can have any force in law they must be approved by the governor in council and published in the Canada Gazette. While I have not had an opportunity of looking up the regulation to which the hon. member refers, I cannot conceive of any regulation—

Mr. BOULANGER: The hon. gentleman will find it in the explanatory notes.

Mr. HANSON (York-Sunbury): I have read that, but I am directing attention to the powers of the Civil Service Commission. I submit that under section 33 and section 5 the commission has no power to make any regulations which will in any way override the act itself. It may be that the commission have attempted to do so, in which event their attempt is a nullity in law, and I am satisfied that the governor in council, if properly advised, would never ratify such a regulation.

Referring again to the first section of the hon. gentleman's bill, I think this is, as so well expressed by the hon. member for Shelburne-Yarmouth, the thin end of the wedge to cut down the returned soldiers' preference. I submit this country is committed to the principle of that preference. It has been on the statute book since 1918, and this is the first time I have ever heard of any proposal to withdraw or restrict it. I for one am against the proposal to cut down the soldiers' preference, and I hope the house will reject the bill.

Hon. CHARLES STEWART (West Edmonton): As I understand the bill, and I hope I am correct, it does not attempt to interfere with the preference granted to Canadian soldiers. But we are more than twelve years away from the war, and I think it can be said without fear of contradiction that the Canadian government, quite irrespective of party, has given preferences to British soldiers and soldiers of the empire which are not duplicated in any other dominion or in any other part of the empire. To say now that a British soldier who has come to Canada within the last three years shall have the same preference as a Canadian soldier hardly seems fair. Mark you, I am not desirous of taking away the preference from the Canadian soldier; I am very much in favour of it, but to say that a British soldier who has resided in England since the end of the war and who has come to Canada within the last three years shall enjoy the same preference as the Canadian soldier, both as against civilians in an application for a civil service position, is I think going a considerable distance. I do believe the preference should be retained in its entirety as far as the Canadian soldier is concerned, but I do not think it should go beyond the provision sug-

gested in this bill by my hon. friend, namely that recipients of this preference shall have resided in Canada for five years. That seems to me an eminently fair proposal. Our own Canadian soldiers have had that preference since 1918, as was pointed out by my hon. friend, and I think the time has come when young civilians growing up in the country have a right to some consideration over those who have come to Canada and taken up their residence among us but have not been here for five years.

That is my position in regard to this bill. I do want to see that preference retained as far as the Canadian soldier is concerned; a right which he has enjoyed since 1918, but it seems to me we are over-generous in our treatment of the men who have come among us within the last few years in giving them a preference over our young civilians who have grown up in the country.

Mr. B. M. STITT (Nelson): Mr. Speaker, in regard to this bill I think that to interfere with the present act would be skating on very thin ice. I think the act as it now stands is generally satisfactory; at least I have never heard any complaints in regard to it, and I have been connected with soldier organizations ever since I came back from overseas. I would very much prefer to have the mover of this bill bring forward something in the way of memoranda or resolutions from recognized soldier organizations. To me this smells very much like something originating with the Native Sons of Canada or something like that, although I may be mistaken. I am a Canadian of the third generation; I stand for Canada first of all, but we must also remember that we have an empire citizenship as well as a Canadian citizenship. I think the government would be well advised to leave the act alone.

Hon. IAN MACKENZIE (Vancouver Centre): I regret very much that I am unable to support the bill which the hon. member (Mr. Boulanger) has submitted to the house. I think the first question the house should ask itself is this: What was the motive behind the returned soldier preference when it was first enacted by the Canadian parliament? My interpretation of that gesture is that it was an expression of appreciation of the sufferings that were endured by those who, during the war, had been on the side of the allies and were then, or at a future date might be, domiciled in Canada. I wish to say further that if a mistake exists to-day, that mistake was made when the preference was first given in regard to all the allies of the Canadian forces. It is a well known fact that the numbers of those outside of Canada who served in our allied forces, and who come to Canada, are getting less and less as year follows year. We must also remember that to-day in the Dominion of Canada we have an organization known as the Imperial Veterans, which is a full-fledged portion of the Canadian Legion. On the other hand the Canadian Legion, representing practically all the organized veterans in the Dominion of Canada, is a component part of an empire-wide organization known as the British Empire Service League.

If my hon. friend had endeavoured to restrict this preference to British subjects he would have received a certain amount of support from me. But since Canada has been responsible for this generous expression during all these years; since our present immigration policies practically restrict immigration; since those who were privileged to participate in the war are getting older and older and their ranks are thinning out every year, I do not think it will be any burden or any hardship if we extend for a few years to those old veterans of at least the other portions of the British Empire the generous recognition that Canada was good enough to make on their behalf when this act was first passed by parliament.

Mr. M. N. CAMPBELL (Mackenzie): I should like to say just a word or two in opposition to this bill. I am opposed to it and to the underlying principle on which it is based. This seems to me to be an attempt to discriminate between two classes of Canadian citizens, those who were born in Canada and those who were born in other lands. We might carry that principle a little further and say that only those men or women who were born in Canada are eligible to sit in this house. How many men would that eliminate from among us to-day? Some of our most esteemed citizens were born outside this country. I know that a principle of that kind would eliminate a great many of my colleagues, and I say it is a vicious and wrong principle.

I read an article in the newspapers a few days ago containing the text of an address delivered by the hon. member who introduced this bill. He was appealing to the Sons of England and the Sons of Canada and other organizations of that kind to drop their different organizations and all become Canadians. I thought there was something very inconsistent in the hon. member making that appeal while at the same time he is trying to discriminate between these two classes of Canadians. Therefore I say I am opposed to this bill.

Mr. S. C. ROBINSON (West Essex): Mr. Speaker, I would like to say just a few words about this bill. I am in hearty agreement with the previous speakers who have expressed themselves as being opposed to it. As an hon. gentleman has said, we are skating on thin ice if we pass this bill; it will create the impression in the other parts of the British Empire that Canada is discriminating against those men who fought side by side with the Canadians in the war. The members of the Canadian civil service who were born in other parts of the British Empire are just as faithful and as loyal as native born Canadians. As another hon. member has said, the number of veterans who come to Canada from other parts of the empire is getting less year by year, and will not be long before the civilians will be able to have their turn at civil service appointments. I know that in my county, when war was declared the first men to throw down their tools and join the army were those from the old land, and it was the same in the workshops of Detroit. Furthermore, the adoption of this measure would create an ill feeling among those in Canada of English, Scotch and Irish birth, and would draw a line, as it were, between them and the Canadian-born. I hope the hon. member who sponsors the bill will see his way clear to withdraw it.

Mr. J. L. DUGUAY (Lake St. John) (Translation): Mr. Speaker, I wish to add but one word in support of the measure of the hon. member for Bellechasse (Mr. Boulanger). I fail to see how this bill can be unfair to Canadians of foreign extraction. Canadians, like other nations, took equally part in the great war, and gave a good account of themselves. If all the Canadian veterans had work, I readily would understand that the bill of the hon. member for Bellechasse would be unnecessary. However, there are too many of them unemployed and needing the assistance of the government. I think that we should all favour this measure; for my part I shall give it my entire support.

Mr. BOULANGER: Are there any other hon. members who desire to speak?

Mr. GROTE STIRLING (Yale): Before the hon. gentleman proceeds to answer the remarks which have been made, I should like to call attention to the fact that this, after all, is an extremely important matter. The house is but a thin one this evening and only those hon. members who have had their attention particularly drawn to this matter have had time to give it deep consideration. I suggest, therefore, that it would be well not to proceed further to-night but to give all hon. members an opportunity of reading what has passed this evening pro and con, and I beg to move the adjournment of the debate.

Motion agreed to and debate adjourned.

CRIMINAL CODE AMENDMENT

NATURE OF SPEECHES ON PUBLIC AFFAIRS TO DETERMINE UNLAWFUL ASSEMBLY

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved the second reading of Bill No. 19, to amend the Criminal Code (unlawful assemblies).

Some hon. MEMBERS: Explain.

Mr. WOODSWORTH: As indicated in the marginal note, this bill is intended simply to provide a safeguarding clause to ensure that the general nature and character of speeches upon public affairs must be the ground for regarding any meeting as unlawful. Legislation of this kind would seem to be almost unnecessary, and yet during the past few months in a number of our cities there have been occurrences that seem to make it highly desirable that some safeguarding clause of this character should be enacted. For example, within the last few months in the city of Toronto there has been considerable trouble between the police and various organizations that have tried to hold public meetings. Let me quote from a very respectable organ, Toronto Saturday Night, the following, which appeared in its issue of January 31, 1931:

> Police Madness in Toronto. Chief of Police Draper and the Senior Police Magistrate, Judge Emerson Coatsworth, the dominant factors on the Toronto Board of Police Commissioners, have recently declared open war on a host of intellectual and spiritually minded Canadians. They have attempted to suspend the laws protecting free speech and free assemblage in the case of a band of gentle idealists known as the Toronto Branch of the Fellowship of Reconciliation.

Again:

> Toronto's police authorities use the word "Communism" as a bugbear to defend every foolish act they commit, though we doubt if they could give an intelligent definition of what they mean by that word. Seemingly all pacifists come under the broad classification which leads them to tag Rabbi Eisendrath and Dr. Bland, and Dr. Ernest Thomas as "Reds."

A little later on:

> Popular indignation, which extends to tens of thousands of people who never heard of the Fellowship of Reconciliation until the present month, was ably voiced in a protest signed with the approval of Sir Robert Falconer, sixty-eight professors, lecturers and instructors of the University of Toronto, who declared that

attempts to nullify or restrict one of the proudest heritages of the British people (i.e., free speech) were "short-sighted, inexpedient and intolerable." In the opinion of Saturday Night they are worse than that, they are criminal. If free speech is to be suppressed, the doom of a free press is in sight.

Discretion forbids that we discuss in detail what would happen if our Lord should suddenly appear at a public meeting in Toronto and recite the Sermon on the Mount.

These are pretty strong words coming from Toronto Saturday Night. May I say that even the communists, who are the parties primarily aimed at, have their rights. I need not repeat what I said in the house the other night, that I am not a persona grata with the communists. But I believe that every group of citizens have certain rights in this country and we are not well advised to take such measures as would in any way impair that freedom of speech which we in British countries regard as a fundamental right. On January 24, 1929, the board of police commissioners of Toronto passed a resolution with regard to a public hall at the corner of Queen and Berkeley streets which decreed:

That as a condition of continuing the licence, all addresses thereafter should be in the English language, being the only language understood by the police officers.

A most extraordinary situation that. Since the police officials understood only one language, every Canadian must conform and speak nothing but English. We in the west have not only the English and French languages, but hundreds of thousands of our people speak Ukrainian, Hungarian, German, Yiddish and so on.

An hon. MEMBER: And Scotch.

Mr. WOODSWORTH: Yes I am sorry to have missed that; and Gaelic too. These people hold their meetings in these languages, and so far we have had complete freedom in this respect. But here we have Toronto setting a precedent, the police commission taking the ground of refusing to have meetings conducted in any language but English—and simply because the Toronto police know only one language. Further than that, the resolution states:

It is the undoubted duty of this board to sustain the actions of the police in preventing disorder and sedition.

Now, the police are there to arrest a man, if necessary, and then charge him. If he has said something seditious, let him by all means be condemned on that ground. But I submit that it is no business of the police to prejudge whether or not a man is talking sedition or is likely to talk sedition. Yet that is the ground taken by the police of Toronto, and this precedent is being followed in other cities.

I might add that this rule set forth in the resolution of January, 1929, was extended to other halls, and similar notices were posted therein. Very curious consequenses ensued. For example a certain workers choir, Freiheit, attempted to engage Hygeia hall. In fact, they had engaged it but the engagement was cancelled. There was a good deal of trouble about the matter, because these workers were not communists and had engaged the hall in good faith. But suddenly they found the licence cancelled. After the trouble that arose in connection with this incident the people in charge of the hall added to the contract a clause to the effect that the contract was subject to permission in writing from the police commission. It is an extraordinary interpretation of our laws when Canadian citizens can enter into contracts only on condition that such contracts are subject to the ruling of a police commission. A choir, a dramatic society or anything of that kind may make an attempt to secure a hall but find that they are unable to do so. There have been a number of cases of this nature. This particular organization—the Fellowship of Reconciliation—attempted to secure a hall in order that it might be addressed by a very eminent gentleman from New York, one of the leading professors in one of the largest theological seminaries in New York, and they were informed that although they had made preliminary arrangements with this gentleman they could not rent a hall. The owners were unwilling to take a risk with the police, the police having said that that organization should not have a hall.

Might I say that this same organization a few months ago had asked the hon. member for Southeast Grey (Miss Macphail) to speak, but they were unable to secure a hall. The police were not particularly opposed to the hon. member, but they were opposed to the organization which had invited her to speak. I understand the same thing is true more recently with regard to the hon. member for Bow River (Mr. Garland). He was in Toronto addressing the Canadian Club and was asked to speak before this same organization. But no hall could be secured. That seems to be a ridiculous situation.

This organization, which has been referred to by the Toronto Saturday Night, appealed some months ago to the police commission.

Doctor Salem G. Bland was one of the speakers on that occasion, and according to the Mail and Empire of January 24, he said:

We charge that the police commission has tried to be court and judge. We do not criticize police actions against those who break the law. What the Fellowship of Reconciliation does protest against is that a policeman, high or low, should take the law unto himself and decide in advance whether a meeting is going to be lawful or not. What right has he to judge beforehand?

Rabbi Eisendrath, a well known and respected citizen of Toronto, made the following statement:

The Fellowship of Reconciliation likewise protests against so preposterous and injurious a statement as emanated from two members of the police commission that in seeking the fulfilling of its program wholly in consonance with the aims and ideals of the internationally known and fully accredited Fellowship of Reconciliation, its well meaning efforts were construed as being motivated by a "thinly disguised communism."

However, may we further point out that it is not merely our personal grievance alone which brings us before you; but likewise we appear on behalf of others who have suffered more keenly than ourselves through what we believe to be an unlawful exercise of police authority. We cannot feel free unless the same freedom is accorded to all. Nor can any rectification of the present attitude toward our own society content us unless the same liberty be guaranteed to the humblest and most helpless, the most friendless of our fellow-citizens, however mistaken and unpopular his views may be.

The communists, against whom this police regulation was primarily directed, had been forbidden by this regulation to use either public halls or the public parks, and when they tried to speak on the public streets they were told to move on, thus being effectively prevented from using the streets. In this way they have been barred from any hall, any park or any street, and I submit that that is altogether a new policy to be adopted by any British country except possibly during the stress of war times.

During the last elections Colonel O. M. Biggar found it necessary to write to the mayor of Toronto with regard to complaints which had come to his notice in connection with the breaking up of meetings which were being held in connection with the elections. It is quite true that the candidates were communistic candidates, but it is no crime to be a communist, even though many of us may not see eye to eye with them. The speakers were regularly recognized candidates in these elections, and that being so they had certain rights under the electoral laws of this country and Colonel Biggar pointed out those rights. His letter reads in part as follows:

I would, I think, be neglecting my duty if in transmitting Mr. Cohen's letter I omitted to point out the extreme gravity of his allegations. If these are true it would appear that there has been established in Toronto what can only be properly described as a police tyranny entirely outside the law, and that they should be true would be incredible apart from the absence of any satisfactory denial or explanation of the allegations made by Mr. Cohen in his previous communications. The real question raised by these and Mr. Cohen's present letter is the question whether in Toronto the police are enforcing the law or are persecuting persons who hold opinions of which they disapprove by the confiscation of printed matter found in their possession, by physical violence, by the misuse of licensing powers, and by threats of the institution of criminal proceedings for which there is no foundation.

Mr. SPEAKER: The hour for private and public bills having expired, the house will revert to committee of supply.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

Harbours and Rivers

Prince Edward Island

Belle river harbour — breakwater repairs, $1,500.

China point—wharf repairs, $2,000.

Cranberry—wharf repairs, $2,400.

Graham's pond—breakwater repairs, $1,000.

Grand river (north)—wharf repairs, $2,000.

Harbours and rivers generally—repairs and improvements, $15,000.

Hickey's—wharf repairs, $2,000.

Lambert's (Montague)—wharf repairs, $1,500.

Miminigash harbour—breakwater repairs—under construction, $1,000.

North lake harbour—breakwater repairs, $1,700.

Pownal—wharf repairs, $2,200.

Rustico harbour—breakwater repairs, $2,700.

Sturgeon—wharf repairs, $2,500.

Summerside—wharf repairs—under contract, $8,000.

Tignish harbour—repairs to breakwater, $5,000.—Total, $50,500.

Mr. MacLEAN: When the committee rose at six o'clock I was discussing the contract for the wharf repairs at Summerside. When were the tenders advertised, by what date had they to be in, and when were they opened?

Mr. STEWART (Leeds): They were due on July 25, 1930. The lowest tenderer was Mr. Campbell.

Mr. MacLEAN: Before six o'clock the minister stated that Mr. Maynard, to whom the tender was transferred, had not been requested to send in a second deposit cheque. Was the first cheque from Mr. Maynard returned, and did he submit a second deposit cheque?

Mr. STEWART (Leeds): Mr. Maynard's cheque was sent in about August 7. On August 7 Mr. Campbell wired that he had arranged with the next lowest tenderer, Mr. Maynard, to take over the contract at his figure, and he stated that he was forwarding Mr. Maynard's deposit cheque.

Mr. MACKENZIE (Vancouver): Was that the original cheque which Maynard sent in?

Mr. STEWART (Leeds): No.

Mr. MACKENZIE (Vancouver): What happened to the original cheque sent in by Maynard?

Mr. STEWART (Leeds): Mr. Maynard's cheque for $738 was received and sent to the accountant on August 15, 1930.

Mr. MACKENZIE (Vancouver): What about the cheque that accompanied the tender on July 25?

Mr. STEWART (Leeds): That would be for a different amount, $747.

Mr. DUFF: Quite right, but what happened to it?

Mr. STEWART (Leeds): That was apparently returned to him.

Mr. MACKENZIE (Vancouver): When?

Mr. STEWART (Leeds): Mr. Maynard's cheque for $747.20, which was his first cheque, was returned to him in February, 1931.

Mr. MacLEAN: I think there is a little confusion. The situation is this: Mr. Maynard, Mr. Campbell, and the others, tendered at the same time, each one sending in a deposit cheque. Mr. Campbell was told that his tender was the lowest. Naturally the other deposit cheques would be returned. What I wish to know is the date Mr. Maynard's first cheque was returned to him.

Mr. STEWART (Leeds): I have not the exact date, but it would be returned in the ordinary course promptly after the lowest tender was accepted. That made it necessary, I presume, to send in a second cheque.

Mr. MacLEAN: That is the point I am trying to bring out. I am taking Mr. Maynard's position. The contract was transferred to him from Mr. Campbell, and the fact of his sending in a second deposit cheque at the request of the department, was equivalent to the department entering into a contract with Mr. Maynard to proceed with that work. That is proven by the fact that the two cheques are out. Mr. Maynard's first cheque was for $747 odd, his second was for the amount of Mr. Campbell's tender, $738. So that proves conclusively that the transfer was made to Mr. Maynard in good faith, and that he was asked by the department to send in a second deposit cheque. This he did and complied with all the regulations required by the department. That was equivalent, I say, to accepting his tender, and he was under the impression that he was to proceed with the work.

Mr. STEWART (Leeds): The sending of the cheque was arranged between Mr. Campbell and Mr. Maynard themselves, not at the request of the department, or with its approval. No doubt both Mr. Campbell and Mr. Maynard hoped that the contract would be awarded to Mr. Maynard; but this matter was arranged between themselves. When the cheque came in the matter was given consideration. There were other applicants, and the contract was awarded to another party, to the lowest tenderer.

Mr. VENIOT: But not to a party who had been a tenderer previous to that.

Mr. STEWART (Leeds): Quite right.

Mr. MacLEAN: We find that this man Downing received the contract without submitting a tender. If that course is to be followed by the department, it will simply destroy the whole tender system. When the department is confident that the lowest tenderer can carry out the work in good faith, I think in all fairness he should be allowed to proceed with the work, but if the department is going to allow outside men to come in and submit a bid on the work after the tenders are made known, and without advertising for new tenders, I say it is absolutely unfair for the department to accept such a bid. The different tenderers were men of standing in the community, any one of whom would have seen that the work was well performed. In my opinion Mr. Maynard should have been allowed to proceed with the contract. I would like to know upon whose recommendation Mr. Maynard's tender was dropped and Mr. Downing's bid accepted. I think it is only fair that that information should be given.

Mr. STEWART (Leeds): Mr. Arnett, my hon. friend's opponent, recommended Mr. Downing, and Mr. Downing put in a tender or offered to do the work for the amount of the lowest tender. The contract was awarded to him by order in council. I want to point out to my hon. friend that this all arose from his request that the lowest tenderer be allowed to withdraw his tender. If he had—

Mr. VENIOT: Oh, no.

Mr. STEWART (Leeds): If he had kept out of this and had allowed the lowest tenderer to complete his contract, there would have been no trouble whatever.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Leeds): That was the beginning of all that took place afterwards. I want to remind my hon. friend that in all our advertisements for contracts there is the provision that the lowest or any tender is not necessarily accepted. The right is reserved to the department to award the contract to any person or firm it sees fit.

Mr. VALLANCE: No tender was accepted at all?

Mr. STEWART (Leeds): Yes, it was.

Mr. MANION: The lowest tender was accepted.

Mr. STEWART (Leeds): Yes, in the regular course.

Mr. MANION: And he refused to carry it out.

Mr. STEWART (Leeds): The trouble arose because the lowest tenderer refused to carry out his contract, and my hon. friend asked that he be relieved.

Mr. MANION: Hear, hear.

Mr. VENIOT: You did not relieve him?

Mr. STEWART (Leeds): Yes, we did.

Mr. VENIOT: No, you didn't.

Mr. STEWART (Leeds): Yes, we did.

Mr. VENIOT: No, you didn't.

Mr. MACKENZIE (Vancouver): You did not call for new tenders.

Mr. STEWART (Leeds): No, but we relieved the party who had been the lowest tenderer. Instead of having him forfeit his deposit we relieved him and succeeded in placing the contract with another reliable contractor at the amount of the lowest tender, so that there has been no money lost to the public. There would have been no trouble such as occurred if the lowest tenderer had not asked that his tender be withdrawn. Then he and the second tenderer endeavoured to arrange between themselves that the second tenderer should have the contract. My hon. friend endeavoured to bring that about. This all happened between August 5 and August 10. Then another gentleman came into the picture and offered to do the work for the amount of the lowest tender, and he got the work. That is the whole story.

Mr. VENIOT: How did he know?

Mr. STEWART (Leeds): My hon. friend thinks somebody else should have had the contract.

Mr. VENIOT: No, not at all; I objected to the way it was done.

Mr. MacLEAN: I have no apology to make to this house or to the country for sending a telegram asking that Mr. Campbell be relieved of his tender. The telegram speaks for itself. Mr. Campbell found himself in a position where he could not carry out the tender. He was called away to take charge of a cargo in connection with a vessel he owned. He approached Mr. Maynard and asked him if he would take over the tender. Mr. Maynard agreed and the department was quite willing to cooperate and facilitate the putting through of the arrangement. For that reason the department was not losing anything on the transaction. There was only $90 between them in the first place, and the arrangement was worked out between those two gentlemen. As to any attempt to fasten anything upon me personally regarding any telegrams that may have been exchanged, I want to tell the minister that in that regard he cannot succeed. In the second place the minister states that Mr. Campbell was released. I want to tell him that Mr. Campbell was released on only one consideration, namely, that he forfeit his tender or else get some other person to take it over. He had to do one of three things: forfeit his deposit cheque, perform the contract, or get someone to take over his tender. Faced with the necessity of doing one of the three things, Mr. Campbell arranged with Mr. Maynard to perform the work. Notwithstanding anything the minister or his department may say, the fact remains that at a later date another gentleman entered into the picture who had never submitted a tender in any shape or form when the tenders were called for. As the minister stated before six o'clock, Mr. Downing was awarded the contract by order in council. The whole thing boils down to the fact, as the minister has just stated, that action was taken on the recommendation of my opponent in the last contest. My hon. friends were afraid that someone who might be of Liberal persuasion would benefit in some degree; probably it is for that reason they were so anxious to see their own friends get the patronage. Men were refused work on the wharf in that town last fall, when they most needed it. Then my hon. friends called a special session of parliament to vote $20,000,000 for the relief of unemployment, yet for party reasons they would not allow this

work to go on and money to be spent. Under cover of secrecy they went to the extent of allowing a tender to be submitted and accepted.

Mr. STEWART (Leeds): The contract was awarded on September 15; there was no delay, There was no desire to escape responsibility, and as I have explained, the work was not then undertaken as it would interfere with shipping at that wharf. The contract is now in force and the work is proceeding.

Mr. VENIOT: Oh, yes.

Mr. DUFF: Why would the contract be awarded only on September 15 if Mr. Maynard's first cheque and the other cheque went back in July and Mr. Maynard sent in a second cheque on August 15.

Mr. STEWART (Leeds): There is a comparatively short period between August 15 and September 15 to consider a contract, to get it before council and to have it dealt with.

Mr. DUFF: I am afraid my hon. friend does not understand me.

Mr. STEWART (Leeds): Yes, I do.

Mr. DUFF: I do not think he does; if so, he is trying to draw a red herring across the trail. These tenders were received about July 25.

Mr. STEWART (Leeds): Yes.

Mr. DUFF: Between that date and August 15 Mr. Maynard's tender was returned to him by the Department of Public Works. That must have been early in August. The first deposit cheque was sent back to him and the department agreed with him that he was to send in a second deposit cheque, which arrived in Ottawa on August 15. Why was not the contract decided upon until September 15? Was the contract not given to Mr. Campbell early in the month of August, not in September at all? What date in August or July was this contract awarded to Mr. Campbell?

Mr. STEWART (Leeds): I think my hon. friend will see that a month is not a very long time to elapse between the—

Mr. DUFF: That is not the point at all. The minister is getting away from my question.

Mr. STEWART (Leeds): Considering the fact that a new government had just come into office I do not think a month should be considered a very long time between the tender and the awarding of the contract.

[Mr. MacLean.]

Mr. VENIOT: Apparently they were new to the tricks.

Mr. DUFF: The minister has not answered my question. I do not think he is trying to answer, because I do not think he can. I say that the tenders were received on July 25. Shortly afterwards Mr. Maynard's cheque was sent back to him by the department. That was the first cheque he sent in when he tendered for $7,400. That tender turned out to be the second lowest. Now then, on August 15, Mr. Maynard again sent in a cheque. I want to find out if it is not a fact that the department decided that Mr. Campbell was to receive the contract long before, or at least some time before, August 15.

Mr. STEWART (Leeds): Mr. Campbell took the contract on the 5th or 6th of August, and after that he withdrew. Subsequently it was arranged between himself and Mr. Maynard that the cheque should be sent in.

Mr. DUFF: A few minutes ago the minister told this committee distinctly that the contract was not awarded until September 15.

Mr. STEWART (Leeds): No, I referred to the second contract. There was one contract awarded on August 5.

Mr. DUFF: But the minister said it was not awarded until September 15. Now that I have pinned him down he admits it was awarded on August 5.

Mr. STEWART (Leeds): I do not wish my hon. friend to be under any misapprehension.

Mr. DUFF: Sit down—I have the floor. This afternoon when the question first came up and the minister was asked who tendered for the work, he gave the name of Mr. Downing. Mr. Downing never tendered, as the minister had to admit later on; but at first —as Hansard will show, unless it has been changed since six o'clock—he gave the name of Mr. Downing. That is the first blunder he made. Now he says this contract was not awarded until September 15, but when I nail him down he has to admit that the tender was awarded to Mr. Campbell on August 5. If that is true, why does the minister now say the contract was awarded on September 15? To whom was the contract awarded on September 15? Was it awarded to Mr. Downing? No.

Mr. STEWART (Leeds): Certainly, to Mr. Downing on September 15.

Mr. DUFF: Why, then, did the minister keep Mr. Maynard's cheque from September 15 until the month of February if the contract was awarded to Mr. Downing on

September 15? Is that a way to treat a man in business who has to go to the bank to borrow money to put up his deposit with the department and pay $9.41 interest on it?

Mr. STEWART (Leeds): I think my hon. friend will agree with me that no minister can personally supervise the return of cheques and attend to all the office details of his department. I had nothing to do with the cheque. That it was not returned was due to some oversight in the office. I ask my hon. friend to accept that explanation. It should have been returned sooner, there is no doubt about that.

Mr. DUFF: I will go a little further. Has the minister on his files any correspondence —he read some telegrams that the hon. member for Prince sent and tried to show that the whole trouble arose because of those telegrams—has he on his file any letters from Mr. Campbell agreeing to transfer the tender for the contract over to Mr. Maynard? Or any correspondence from Mr. Maynard to the department, and any correspondence from the department to Mr. Maynard, either before they received his cheque for the second deposit or afterwards in acknowledgment?

Mr. STEWART (Leeds): I have a note here that on August 7 Mr. Campbell wired. That is the date the new government came into office. There seems to have been a good deal of activity between the 5th and 7th of August.

Mr. MACKENZIE (Vancouver): And a lot afterwards.

Mr. STEWART (Leeds): On August 7 Mr. Campbell wired that he had arranged with the next lowest tenderer, Mr. W. R. Maynard of Prince Edward Island, to take over the contract at his figure. I think my hon. friend will agree that that could not have been done with the approval of this government. He also stated that he was forwarding Mr. Maynard's deposit cheque. Mr. MacLean also wired on August 7 to the same effect, and was advised that Mr. Campbell's cheque would be returned as soon as the next lowest tenderer's deposit cheque was received.

Mr. HANBURY: Why keep him waiting so long?

Mr. STEWART (Leeds): Mr. Campbell's security cheque of $738 was returned to him on August 22nd.

Mr. MACKENZIE (Vancouver): Will the minister kindly repeat that?

Mr. STEWART (Leeds): Mr. MacLean also wired on August 7 to the same effect, and was advised that Mr. Campbell's cheque would be returned as soon as the next lowest tenderer's deposit cheque was received.

Mr. MACKENZIE (Vancouver): That was from the department?

Mr. STEWART (Leeds): I presume so.

Mr. MACKENZIE (Vancouver): That is conclusive evidence that Mr. Maynard's tender had been accepted by the department.

Mr. STEWART (Leeds): No, that is just what was hoped for by the member who was wiring in, and no doubt also by Mr. Maynard himself; but it never was accepted. There has been no breach of faith, everything has been done regularly. The contract has been awarded to a capable contractor at the price of the lowest tender, simply because it was the lowest.

Mr. VENIOT: He was not a regular tenderer.

Mr. STEWART (Leeds): He was subsequently.

Mr. VENIOT: He never tendered.

Mr. STEWART (Leeds): He did not tender in answer to the advertisement, there is no doubt about that.

Mr. GRAY: How did the man who ultimately got the tender know what price to put in unless someone in the department told him?

Mr. STEWART (Leeds): It was perfectly well known down there what the lowest price was.

Mr. MACKENZIE (Vancouver): What date was the deposit cheque received from Mr. Downing?

Mr. STEWART (Leeds): Some time before the contract was awarded, before September 15, I think.

Mr. HANBURY: Has the minister the deposit cheque from Mr. Downing?

Mr. STEWART (Leeds): We never enter into any contract without it.

Mr. DUFF: The minister has been good enough to read a letter or telegram from Mr. Campbell in which it is said they arranged for the contract to be transferred from Mr. Campbell to Mr. Maynard. He also told us about Mr. Maynard sending in his cheque on

August 15. What did the department do in regard to correspondence after they received that cheque if they did not agree to the proposition? I should like the minister to read the answer of Mr. Maynard or of Mr. Campbell when he sent in that cheque.

Mr. STEWART (Leeds): I have not the file of correspondence.

Mr. DUFF: You had better send and get it before this item passes.

Mr. McLURE: Did Mr. Campbell give any reason why he did not want his tender to go into effect?

An hon. MEMBER: The government changed.

Mr. McLURE: There must be some reason why Mr. Campbell asked for the return of his deposit.

Mr. STEWART (Leeds): All I have is a telegram from Mr. MacLean, the member, requesting that Mr. Campbell be allowed to withdraw his tender. I do not know anything more about it than that.

Mr. MYERS: I think the whole trouble perhaps arose out of the fact that on the 28th July last there was a change of government.

Mr. HANBURY: You bet it does.

Mr. MYERS: It may be interesting to the committee, Mr. Chairman, to know that down in Prince county, and especially in Summerside, the hon. member for Prince (Mr. MacLean) and Mr. Campbell and possibly Mr. Maynard and company, had been used to running things pretty much their own way. After the 28th of July, when they saw they could not run things just in their own way any longer, and when Mr. Campbell saw that he had a tender that might squeeze him a little financially, and there might not be the same possibilities that there were before of getting a few little extras tucked in, the hon. member for Prince thought it very wise to have Mr. Campbell withdraw his tender. That is the whole story, and the reason why the contract was not proceeded with in September is well known to any man who lives in Prince Edward Island and especially to any man living in Summerside. The reason was that you could not interrupt the shipping and take the space on the railway wharf at Summerside when the shipments of potatotes for Cuba were being prepared; they wanted the space to load the ships. Mr. Downing is just as good a contractor in Summerside as Mr. Campbell ever was; he is just as good a contractor as Mr. Maynard ever was, and the work will be done honestly and just as well without the supervision of the hon. member for Prince county.

Some hon. MEMBERS: Carried.

Mr. MacLEAN: Hon. gentlemen across the way might just as well make up their minds that this is not carried. This matter will end up in the public accounts committee if hon. gentlemen do not come across with the proper information.

My hon. friend from Queens has come to the rescue of the minister. He has insinuated that there was some crooked work going on when the Liberals were in power in connection with contracts down there. I want to tell this committee that never in all my experience of ten years in dealing with the Department of Public Works have I seen anything approaching what has transpired in connection with this contract. I defy the hon. member for Queens, the minister in charge of the department or any of the district engineers to put their finger on one item in connection with which I have ever interfered with any contract. Hon. gentlemen opposite must not measure other people's corn by their own half bushel. The whole matter did not arise because Mr. Campbell was afraid he would be squeezed by the department; it came about in this way: As I have said, Mr. Campbell was called away and could not attend to the work, and the contract was supposed to start right away. He arranged with Mr. Maynard to take over the contract, which was done in good faith. Mr. Maynard submitted his deposit cheque, which was conclusive proof that the department had agreed to the contract being transferred to him. That contract should have been proceeded with right away; that was the time when the work was positively needed for the fall shipments, but it was purposely delayed, when there was a change of government, in order to give their friends a chance. If the government had wanted to play fair with the people they would have advertised for new tenders. There was lots of time; they said they could not proceed with the work, so why could they not have advertised for new tenders and treated the people fairly? No; that would not have suited the purpose of our hon. friends. My hon. friend from Queens is backing up the minister in this matter; I hope he will not go on and do that sort of thing down in his own county. The whole matter came about in this way: Hon. gentlemen opposite wanted to switch that tender to a supporter of their own, a gentleman who went out on every platform and

campaigned the country against me in support of the Conservative candidate. That man steps in and gets a reward, at the last moment, after the whole thing was arranged with Mr. Maynard. His reward was getting the contract, under the secrecy of the department. Now I should like to know from the minister if any correspondence has been exchanged with the district engineer at Charlottetown in connection with this matter.

Mr. STEWART (Leeds): As far as I know there has not been any correspondence, although I have not the file here.

Mr. DUFF: I think it is very important, in order to clear up this matter, that the minister should have this item stand and go on with something else until he gets the correspondence from the department with Mr. Maynard, or as a matter of fact all the correspondence. He has given us telegrams from the hon. member for Prince, and he has also read other correspondence. In order to complete this matter and show exactly where it stands, I think it only fair that we should have the correspondence, which in my opinion will show conclusively that when the government, the Minister of Public Works or his department received the second deposit cheque from Mr. Maynard, they accepted the offer of Mr. Campbell and Mr. Maynard to transfer the contract to Mr. Maynard.

My hon. friend from Queens said the whole trouble was that we had a change of goverment in July, 1930. He is quite right; I agree with that. Open confession is good for the soul. Why, for instance, did the two members for Queens appear so anxious to sit cheek by jowl with the minister when this little matter of $8,000 came up? Of course we are glad to see them moved further up on the front benches, but why are they there in connection with this matter? They must know something about this transaction. I am not one of those who does not believe that to the victors belong the spoils. I believe in that; I believe that when a Conservative government is in power their friends should get the preference, and I believe that when a Liberal government is in power the Liberals should get the preference. But my hon. friend the Minister of Public Works got up this afternoon and, with a long face, told how he was going to run his department. With crocodile tears running down his cheeks he said, "As long as I have the honour to be Minister of Public Works I will see that the lowest tenderer gets the contract." He said everything done in his department would be fair and aboveboard.

Mr. MacDONALD (Cape Breton): He did not say that.

Mr. DUFF: Yes, he did say the lowest tenderer would get the contract and that his department would be run on that principle, and I am also reminded that the minister said he would carry on the department honestly. Is this carrying on his department honestly? If the minister would get up and say that the man who received the contract was a good Conservative and that he was advised, either by the member for Queens, the defeated candidate in Prince or some other Conservative to give this man Downing the contract, I would take off my hat to him. But when he acts the hypocrite and says he is going to try to run his department honestly and give contracts to the lowest tenderers, I say we have a perfect right to show him up.

Mr. STEWART (Edmonton): I do not see the occasion for the hilarity with which some hon. members appear to view this matter. If the Department of Public Works has decided that for the future tenders are to be ignored unless they are put in by Conservatives, then let us know it.

Mr. MANION: Tenders are not ignored.

Mr. STEWART (Edmonton): As I understand the situation, Mr. Downing never tendered at all. The tenders were put in by Mr Campbell, Mr. Maynard and some others. Some transaction took place between Mr. Campbell and Mr. Maynard, and it is very clear from the evidence as it appears here that Mr. Maynard was to carry out that contract. His cheque was accepted by the department for that purpose. In the meantime, however, the government changed. If the government are willing to admit at once that they do not propose to give employment or to allow tenders to be accepted and carried out because of the political persuasion of the tenderer, then we will know the position we are in, because subsequent events point to the fact that this contract was given by order in council to an ardent supporter of the government, without his putting in any tender, at the same price of course as the tender put in by Mr. Campbell and subsequently turned over to Mr. Maynard. That is the complaint I want to lodge, and I must say that I am surprised to find that the hon. member for Lincoln has not been protesting. He was protesting this afternoon about another matter, but he is very silent to-night. If the policy is to be that these contracts are to be given only to political favourites, what is the use of

a Liberal tendering at all? This is an innovation, I am bound to say, in the administration of the Department of Public Works.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): Hon. gentlemen may jeer as much as they like, but the principle should be to accept the lowest tender, provided the tenderer is capable of carrying out the work. And I have not heard that Mr. Maynard was not capable of performing his contract. If there was some reason why he could not carry out the contract, some valid reason, something might be said for the transfer of the contract to Downing. But evidently that is not so. Two hon. gentlemen who represent seats in Prince Edward Island now appear to give us the impression, on this side of the house at all events, that no longer is the advice of Liberal representatives to be taken. Theirs is to be taken. I have no objection in the world to that, but I do say that if the department enter into a contract, having accepted a tender, there should be some valid reason for its refusal to observe that contract; because, in all fairness—

Mr. MANION: The lowest tenderer refused it himself.

Mr. HANBURY: That is quibbling.

Mr. STEWART (Edmonton): The lowest tenderer gave it up and the second lowest entered into an agreement which was acceptable.

Mr. MANION: What right had the second and the lowest tenderer to frame up a job of their own?

Mr. STEWART (Edmonton): None in the world, but that was acceptable to the department. The second tenderer's cheque was accepted, the first tenderer having disappeared. That must be evident, and the first tenderer is no longer in the arrangement. The second man's tender was accepted and there was failure on the part of the department to carry out their agreement with that second tenderer, whose cheque they accepted. Not only that, but they ignored him altogether and by order in council appointed someone else without any tender, someone who had never tendered and had made no offer to carry out the work, except that undoubtedly at the suggestion of someone else he was given the contract and is now about to carry it out. Some serious protest should be registered against this kind of procedure in connection with tenders.

Mr. MANION: Four men tender on a contract; the lowest man gets it and is given it legally and rightly. The lowest tenderer then refuses to carry out the contract, and he tries to make a frame-up with the second and have it given—

Mr. HANBURY: He was permitted by the government to make the arrangement.

Mr. MANION: He makes a frame-up with the second tenderer at the same price, and the government give the contract to a third man—

Mr. BEAUBIEN: Who never tendered.

Mr. MANION: Yes, but they give it at the lowest price tenderer in the original tender. They had just as much right to do that, to give it to that man, as they had to give it to the second tenderer. They had as much right and obligation to call for second tenders, complete open tenders, if they gave it to Maynard as if they gave it to Downing.

Mr. BEAUBIEN: But they never called for tenders.

Mr. MANION: My hon. friends are arguing that they should have given it to Maynard. Perhaps they should not have given it to either, but they had as much right to give it to Downing as to give it to Maynard without new tenders. If they had given it to Maynard, why should not a third or a fourth tenderer come forward and say, "I would have tendered the second time if you had given me a chance, but you let Maynard have it." If they had given it to Maynard, why not to any third or fourth tenderer?

An hon. MEMBER: Certainly.

Mr. MANION: My hon. friend agrees with that. In other words, if you gave it—

Mr. BEAUBIEN: But Downing never tendered.

Mr. MANION: But Maynard did not tender the lowest; he tendered second. My hon. friends are taking a very holy attitude to-night. I have sat and listened to it for some time and I am about fed up with it. I will tell my hon. friends something now—

Mr. VENIOT: The fat is in the fire.

Mr. MANION: My hon. friends know something about political tenders. I will tell the late Minister of the Interior (Mr. Stewart) this: that I have been told in my office by Conservative contractors in this city that they went and asked in my department, when the Liberals were in power, to be permitted to

tender, and they would not be permitted to tender at any price. That is what I am told and I know it to be true. And what is further—

Mr. BEAUBIEN: That doesn't make it right.

Mr. MANION: No, that would not make it right if it were wrong. But don't take such a holy attitude on your side. I think there is a whole lot of fuss being made about a teacupful of water; there is nothing to it at all. The contract is being carried out at what was the lowest tendered price. The government is losing nothing and the people of Canada are losing nothing. The only thing is that my hon. friend from Prince—I do not blame him for fighting for his friends—is a bit sore that his friend did not get it. That is the whole thing. My hon. friends over there are not shocked. I am just as high-minded as any of them—no higher but just as high—and I am not shocked at it.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: And I know that they are not shocked. Why not forget all this hypocrisy and stand by the lowest tender where it is given?

Mr. BEAUBIEN: May I ask a question?

Mr. MANION: Yes.

Mr. BEAUBIEN: Was the Minister of Railways here this afternoon when the Minister of Public Works was telling us, with tears in his eyes, how he would administer the department?

Mr. MANION: I did not see him with any tears in his eyes. I happen to know him very well and I know that he carries on his department in an excellent manner. I know that. And what is more, I have heard a good deal stronger protest from some of my friends on my side in cases where he gave the contract to the lowest tenderer. So that he has been conducting the department quite honourably. But why not cut out all this "eyewash," because that is all it amounts to, and get down to business.

Mr. BROWN: Mr. Chairman—

Mr. BEAUBIEN: Mr. Chairman—

Mr. VENIOT: Mr. Chairman—

The CHAIRMAN: Mr. Veniot has the floor.

Mr. VENIOT: Mr. Chairman—

Mr. SPENCE: Are you defending the hon. member for Prince?

Mr. VENIOT: I am astonished that the Minister of Railways should treat this question in the way he has. He says, "Why so much bother about a simple thing like this? Why take up the time of this house? It is all 'eyewash' ". If the hon. gentleman had set an example of that kind in the last two sessions, perhaps we should think he was sincere to-day. But no man in this house took up more time than the present Minister of Railways and the present Minister of Public Works in the twenty-one days during which they had me on the gridiron when my estimates were going through in 1929.

Mr. MANION: I didn't bother you much.

Mr. VENIOT: To-night I enjoy seeing the two hon. gentlemen on the gridiron and I intend to do my part in keeping that iron hot. I wish to say to the Minister of Public Works that he has in this instance departed from the practice of the Department of Public Works ever since confederation.

Some hon. MEMBERS: Oh, oh.

Mr. VENIOT: When I hear asses braying across the way it reminds me of the Foster horses of Nova Scotia. The practice of the department has been that where the lowest tender cannot be accepted, or where the contract is awarded to that tenderer and he signifies his desire not to proceed with the work, the department shall notify him that he stands a chance of having to forfeit his deposit. The department notified the lowest tenderer in this case when he asked that he be allowed not to proceed with the work. But they went further than that, if what the minister said this afternoon is correct, reading from his notes. Reading, not from any correspondence but from notes prepared, the minister said that they wrote to this gentleman, Mr. Campbell, that he could withdraw his tender on the condition either that he should forfeit his deposit or that he should make arrangements to meet the difference between his tender, the lowest, and the next tender to his, which was Maynard's. That is what the minister read this afternoon from his notes. If that is true, then they gave Mr. Campbell distinctly to understand that he had to make this arrangement. Mr. Campbell was not scheming, he was following the orders which came to him from the Department of Public Works. The minister now attempts to get clear of his responsibility by having other hon. members from Prince Edward Island attempt to place the blame upon Mr. Maynard by claiming that he and Mr. Campbell were concocting a

scheme. Mr. Campbell acted under the instructions he received from the department, and, as I have said before, if he did not receive such instructions then I have been led astray by the notes read this afternoon by the minister. Having done that, the department was in duty bound to accept Mr. Maynard's offer when it came in because they said to Mr. Campbell: Your cheque will be forfeited unless you make an arrangement to carry out this contract. Mr. Campbell made that arrangement with Mr. Maynard, who sent in the deposit cheque required under the Campbell tender. If the department did not want to accept the Maynard tender it should have gone to the next tenderer. Campbell refused to go on and then, supposing Maynard had refused to go on, the department should have gone to the next lowest tenderer or else called for new tenders. Instead of doing that, they turned down all the tenders, they refused the second offer of Maynard and never gave an opportunity to the other two men to file a tender, or if they did, we have no information of it. On the recommendation of the defeated Conservative candidate, as admitted by the minister, they went to a man who never had any intention of tendering, who perhaps did not know that tenders had been called for but who had learned in an underhand way that this contract was not to be given either to Maynard or Campbell. Through some means or other, this third man submits a tender of exactly the same amount submitted by Campbell which was the lowest of the four made.

Mr. MANION: Does not my hon. friend think that Downing failed to tender because he knew that under the late government he would have no chance of getting the contract?

Mr. VENIOT: He knew that under the present government he could get anything through. It is unheard of—not unheard of, because there are examples in the past where under Conservative rule the very same thing occurred—that, tenders being called for and the lowest tenderer refusing to go on with the contract, the department should go to a man who had not tendered and ask that he put in a bid. Will the minister produce the correspondence between Mr. Arnett—

An hon. MEMBER: All the correspondence.

Mr. VENIOT: Yes, all the correspondence, but particularly that between Mr. Arnett, the defeated Conservative candidate in that constituency, and the department, wherein he recommends that Mr. Downing be given the contract. The other day the minister was asked to produce correspondence in connection with a certain item and he replied that the negotiations had been carried on verbally. I wonder if this is another verbal case.

Mr. STEWART (Leeds): I have a letter from Mr. Downing, dated September 8.

Mr. VENIOT: I asked for Mr. Arnett's correspondence.

Mr. STEWART (Leeds): I have no correspondence here from Mr. Arnett.

Mr. VENIOT: Then this matter should be allowed to stand.

Mr. STEWART (Leeds): I am quite willing to allow it to stand; we will see what we have on the file.

Mr. MYERS: The hon. member for Gloucester really deserves the thanks of the committee, as he is the only member who has spoken on this question who has really thrown any light upon it. He has given the real reason for his opposition; he knows that everything is all right and that there has been no wrongdoing.

Mr. VENIOT: He does not.

Mr. MYERS: He knows there is a good contractor in Summerside who is carrying on this work, but his opposition and that of other hon. gentlemen opposite would seem to indicate that they desire to punish the present Minister of Public Works and the Minister of Railways for their pranks during the last session.

Mr. HANBURY: Does the minister propose to award contracts in a similar manner in the future?

Mr. STEWART (Leeds): I will deal with each individual case on its merits as it comes up. Let me endeavour to place this matter straight before the committee.

An hon. MEMBER: We have got it straight.

Mr. STEWART (Leeds): It was proposed to construct a wharf at Summerside. Tenders were advertised for in the regular way and four were received. The rule that the lowest tender be accepted was followed, and the contract was awarded to the lowest tenderer, but for some reason best known to himself he asked to be relieved of the contract and that was done. He hoped to be able to bring about an arrangement—

Mr. HANBURY: At the request of the government.

Mr. STEWART (Leeds): He hoped to bring about an arrangement by which his apparent friend, the second contractor, would be awarded the contract. With a view to accomplishing that, he got the second contractor to send in a cheque. That cheque was never accepted by the department on the basis that a contract would be awarded; it remained in the department for some considerable time. The matter was given further consideration, and instead of adopting the course suggested by the first contractor, who had defaulted and asked to be relieved of his contract, the government selected one of three courses which presented themselves, all equally sound. One alternative was to advertise again; another was to award the contract to any other contractor who would accept it at the same figure as that submitted by the lowest tenderer. As I have said before, there appears in every advertisement—

An hon. MEMBER: What was the third?

Mr. STEWART (Leeds): —the statement that the department is not bound to accept any tender. If this work could be done at the amount of the lowest tender, the department was justified in awarding the contract to any reliable and competent contractor at that lowest price. That is what was done. The public interest has been protected and not a dollar of public money has been lost. The work is in charge of a competent contractor and will be completed in due course. The minister and the department were advised by the solicitor that we were under no obligation whatever to award the contract to the second tenderer.

Mr. VENIOT: What about the other two?

Mr. STEWART (Leeds): I can only say that if the other two were to be taken into consideration, they would have a perfect right to ask that the work be put up for tender again. That would have meant added expense and further delay. The course that was adopted was one of three alternatives. I submit that it was sound, that it was justifiable under the circumstances, that the public interest and the public treasury have been protected. All that remains is a little disappointment on the part of the lowest tenderer and the second tenderer that they did not secure the contract. With that the public is not concerned. The public's concern is in seeing that the work is well done at the lowest possible cost, and that is the result in this case. There is nothing wrong, nothing irregular, nothing for my hon. friends to get excited about.

Mr. SANDERSON: The minister must admit that the gentleman who finally got the contract never submitted a tender at all.

Mr. STEWART (Leeds): He did not submit a tender in the first instance, but made an offer to do the work, and he has entered into a contract.

Mr. SANDERSON: But did he tender in the regular way?

Mr. STEWART (Leeds): He made an offer to do the work and entered into a contract. So that closes the door so far as tendering is concerned.

Mr. SANDERSON: Then he did not submit a tender in the regular way.

Mr. STEWART (Leeds): There was no answer by him to the advertisement for tenders.

Mr. McMILLAN (Huron): Is it not the practice of the department to hold the deposit cheque when a tenderer does not take the contract?

Mr. STEWART (Leeds): The cheque is held in some instances, pending other arrangements.

Mr. McMILLAN (Huron): How did it come about that the department returned the cheque in this case?

Mr. STEWART (Leeds): After we had made another contract with a competent contractor, who submitted a deposit to guarantee the completion of the work, we felt justified in returning the cheque to the other man.

Mr. McMILLAN (Huron): Mr. Campbell, the lowest tenderer, who was awarded the contract, was relieved through Mr. Maynard agreeing to take over the contract, and then the department returned Mr. Campbell's cheque. That was the only reason for returning his cheque, was it not?

Mr. STEWART (Leeds): No.

Mr. McMILLAN (Huron): Then what other reason had you for returning the cheque contrary to the practice of the department?

Mr. STEWART (Leeds): Because we had a competent contractor prepared to carry on the work.

Mr. McMILLAN (Huron): Mr. Downing had not come into the picture at that time at all. One thing is clear, and that is that in order to give the contract to a certain individual you have to throw down the practice that has always obtained of letting contracts according to tender.

Mr. STEWART (Leeds): I am not throwing down any principle that has prevailed in this department. I am determined that the lowest tenderer shall have the contract. This man was the lowest tenderer, and he got it

Mr. McMILLAN (Huron): He did not put in a tender at all.

Mr. STEWART (Leeds): No, but he offered to do the work.

Mr. McINTOSH: Last night when the minister was discussing the question of a public building in North Battleford he made the same statement he has made to-night, that he always accepted the lowest tender. If that is the practice of the department, how could they know in this case that the price for which the contract was let was the lowest possible price that could have been secured if new tenders had been called. If you called for new tenders, others would probably tender for the work who had not tendered before. So I cannot for the life of me see how you could come to the conclusion that this was the lowest tender. It might not be the lowest tender at all.

Mr. STEWART (Leeds): The amount of the lowest tender was well established. It was within our own estimate, and we saw no reason that would warrant our asking for new tenders.

Mr McINTOSH: Your estimate might lead you to think that that would be the lowest price submitted, but if you reopened the question and called for new tenders, a lower price might have been bid.

Mr. STEWART (Leeds): We received four tenders, ranging from $7,380 to $8,770. That shows fairly good competition.

Mr. McINTOSH: It shows good competition, but it is not the final word on the point. That is my contention.

Mr. BROWN: To my mind the crux of the question lies in the answer which the department made to Mr. Campbell or to Mr. Maynard, when they received his second cheque. I shall not be satisfied until the correspondence has been produced. There has been a lot of discussion of irrelevant matters, but the vital question is this: Did the department at any time indicate its willingness to ratify the arrangement that was made between Mr. Campbell and Mr. Maynard? The member for Prince has said that there were three alternatives open to Mr. Campbell: He could fulfil his contract, forfeit his cheque, or provide a substitute contractor. If that is correct, the minister is absolutely in wrong.

[Mr. McMillan.]

Mr. RALSTON: Did I understand the minister to say that he had obtained an opinion from the solicitor of the department?

Mr. STEWART (Leeds): Yes.

Mr. RALSTON: Has he that opinion?

Mr. STEWART (Leeds): Yes.

Mr. RALSTON: Would he please read it?

Mr. STEWART (Leeds): This is the opinion of Mr. Crerar, departmental solicitor, dated September 4:

On July 25, 1930, tenders were opened.

On July 26, 1930, report to council was drafted recommending acceptance of the tender of J. E. Campbell and report sent to minister. On July 29 a wire was received from Mr. MacLean notifying the department that Campbell wished to withdraw his tender.

In connection with this I would draw your attention to the clause in the tender reading as follows:

"The security cheque or bonds will be forfeited if the person or persons tendering refuse to enter into a contract when called upon to do so. The department does not bind itself to accept the lowest or any tender."

As contractual relationship is established by offer and acceptance, I submit that in this case, Mr. Campbell was bound by his offer as represented by his tender and that from that time the crown had the option of insisting upon the specific performance of the contract; holding Mr. Campbell's security deposit and arranging for a new contract.

The second alternative was adopted, and Mr. Campbell's security deposit was then that of one liable to indemnify the crown for any loss suffered through his inability to perform the contract. Subsequently all that Mr. Maynard could do, or has done, is to submit his cheque in lieu of Mr. Campbell's and assuming the last named's liability.

No notification whatsoever has been sent Mr. Maynard which might imply that the contract in due course would be awarded to him. Under the circumstances I consider that the department is in no way legally bound to award the contract to Mr. Maynard.

Mr. RALSTON: Will the minister tell me what instigated that opinion? Was there a letter to the solicitor asking for the opinion?

Mr. STEWART (Leeds): No, this offer came in in the meantime, I presume, from the other contractor, and we wished to know our legal position in regard to the matter.

Mr. RALSTON: Is there anything in the record at all as to why the solicitor was asked to give an opinion on a matter which is perfectly plain? Everybody has seen advertisements for tenders, and everybody knows that the lowest or any tender is not necessarily accepted. What was the necessity for all this care? Why was it necessary to get an opinion from a solicitor to tell the minister that?

Mr. STEWART (Leeds): That is what the solicitor is there for. He is employed and paid by the department to give the minister advice on legal matters.

Mr. RALSTON: Does the minister tell me that they ask the solicitor for an opinion every time the lowest tenderer happens to ask to be let out?

Mr. STEWART (Leeds): Any time anything exceptional of this character turns up.

Mr. RALSTON: Oh, "exceptional."

Mr. VALLANCE: Yes, very exceptional.

Mr. RALSTON: I think the very fact that this opinion was sought shows the real situation. On September 4 Mr. Maynard's offer was in. Apparently the department wanted to see if they had to accept that tender. Why? Mr. Maynard was going to put in a cheque. He was a man who had already contributed something to the country because of the fact that he had made a tender. That is more than Mr. Downing had done. Mr. Maynard had some rights. I do not think the Minister of Public Works would need a solicitor to give him advice on that point. He could ask any deputy minister in any department where contracts are let and he would find that those men who go to the trouble of making out estimates, examining plans and specifications and going to the expense of preparing prices are the men who are considered by the department as worthy of consideration in case some tenderer falls down. The moment that principle is broken we lose one of the most important aids the country has in connection with the keeping down of expenditures. Men will not put in tenders if they find that after their tenders have been put in they are going to be hawked around the country and somebody else, who has not tendered at all, asked to take the work at their price. That is the real danger.

Mr. STEWART (Leeds): No, that is not right. My hon. friend is not stating the case fairly at all.

Mr. RALSTON: I know the facts, and I will state them. Will my hon. friend tell me why, in the light of the opinion he received from his solicitors, he felt it necessary to award the contract to Mr. Campbell?

Mr. STEWART (Leeds): Mr. Campbell?

Mr. RALSTON: Yes, the lowest tenderer.

Mr. STEWART (Leeds): The contract had been awarded to Mr. Campbell by the previous government.

Mr. RALSTON: Does my hon. friend agree that the lowest tenderer should have it?

Mr. STEWART (Leeds): I agree in every instance the lowest tenderer should have it. I stand for that principle; I have fought for it, and the lowest tenderer has got it.

Mr. RALSTON: No, no, no. On my hon. friend's own statement there is no more reason why Mr. Campbell or the lowest tenderer should have got the contract than that it should go to somebody who did not even tender. They seem to think it is all right if the price is not higher than that of the old tenderer. It has been expressly laid down by two ministers that they do not regard at all this matter of—

Mr. MANION: No, it has not. I resent that statement. I did not lay down any such principle at any time.

Mr. RALSTON: I think if my hon. friend will let me finish it would be much better. I would ask him to let me say what he said.

Mr. MANION: Well, do not put the wrong words in my mouth.

Mr. RALSTON: I am referring to my hon. friend the Minister of Railways and Canals. I say I was surprised at the principle he laid down. If my hon. friend will permit me to say so, I do not think he was quite candid with the committee. I do not believe my hon. friend will find in his department that there has been, either before or since he has been there—I hope not, anyway—any case in which a contract has been given to anybody who did not tender at all.

Mr. MANION: No, but I have been told that in my department while my hon. friend and his friends were in power, before I got there, certain Conservatives were not even permitted to tender at all. I have been told that.

Mr. RALSTON: My hon. friend has said that twice. He has made that statement however when neither of the gentlemen who occupied that portfolio is in the house.

Mr. MANION: That is my information.

Mr. RALSTON: Since my hon. friend has made that statement I think he should give the names, because the statement he has made is that these gentlemen were told that they could not tender. I do not believe it; I do not believe this house believes it, and I do not believe this country believes it.

Mr. MANION: I do not care whether my hon. friend believes it or not; it is a fact, and I can prove it.

Mr. RALSTON: I will challenge my hon. friend to give this house and this committee the names of the contractors.

Mr. MANION: I don't choose to give the names at this moment. I will give the names on the proper occasion. If my hon. friend wants an investigation he had better start it, and I will give the names.

Mr. RALSTON: My hon. friend is—

An hon. MEMBER: Start an investigation.

Mr. RALSTON: My hon. friend surely must be fair. I think he realizes that it is not quite fair to come here and make statements of that kind when the hon. members who were in charge of the departments are not here and when he refuses to give the names.

An hon. MEMBER: Ask for an investigation, that is the best thing to do.

Mr. RALSTON: My hon. friend has used a phrase which has been heard quite often from benches on the other side of the house. He falls back behind it with the statement that when the proper occasion presents itself he will give names. I say he thought this was the proper occasion to make the statement and therefore this is the proper occasion for him to mention any names. I repeat that I do not believe he will find in his department any case in which a man who was not a tenderer at all was given a contract. I do not believe that is so. I believe when he thinks it over, if he has not already thought of it, he will not do it in his department and I do not believe the Minister of Public Works will do it again in his. It is a bad practice. I do not see why the advice of a solicitor was necessary; it is not a question of law, but a question of practice. It is putting a premium on a practice under which men devote time and money towards examining sites and plans, making investigation and putting in tenders, and the country receives the benefit of their competition. Then after these men have done all the work and spent their money to tender, somebody else is brought in and asked whether he will take the tender at a stated price. This government surely cannot defend such a practice, and I am surprised that my hon. friend should have risen in his place and defended it; I do not think it is good departmental practice. It is not a practice that is common in the department of the Minister of Railways and Canals or in that of the Minister of Public Works. If they inquire from the deputies throughout the service they will find no such practice prevailing. If that practice existed there is no reason why tenders could not be advertised, a dozen answers received, the lowest price selected and then an approach made to other people to ask if they would not take the contract at the lowest price. There is no difference between that procedure and that which has been adopted in this instance.

Mr. MANION: Certainly there is.

Mr. RALSTON: Under the rule my hon. friend has read the contract need not necessarily be awarded to the lowest tenderer any more than to any of the others and if they take the attitude which has been taken tonight they will be disregarding the lowest tenderer and giving the contract to someone else at his price. If the policy is adopted whereby tenderers are left out altogether I say that lowest tenderer might as well be left out as anybody else. It is a bad practice, and there will be nothing but grief in the Department of Public Works if my hon. friend allows the practice to continue.

Mr. STEWART (Leeds): My hon. friend has not stated the case thoroughly. I have great respect for him and I am surprised that he has stated the matter as he has.

Mr. RALSTON: I have stated it correctly.

Mr. STEWART (Leeds): He has left the impression that after these tenders were in the minister hawked them about.

An hon. MEMBER: No, no.

Mr. STEWART (Leeds): And rejected the lowest tender.

Mr. RALSTON: I know exactly what was done.

Mr. STEWART (Leeds): Rejected the lowest tender and allowed somebody else to come in.

Mr. RALSTON: I did not say anything of the kind.

Mr. STEWART (Leeds): That was the impression I got.

Mr. RALSTON: Well, my hon. friend had better read Hansard.

Mr. STEWART (Leeds): I want to assure him the facts disclosed that nothing of that kind was done in this case.

Mr. RALSTON: We know what was done.

Mr. STEWART (Leeds): Nothing of that kind will be done as long as I have control of the Department of Public Works. The whole trouble arose in this department through a contractor, as I have stated—

Mr. RALSTON: That is old stuff.

Mr. STEWART (Leeds): The contractor withdrew his tender, presenting the department with a difficulty.

Mr. RALSTON: No, no great difficulty.

Mr. STEWART (Leeds): And they adopted a course which I think is reasonable and sound.

An hon. MEMBER: And political.

Mr. STEWART (Leeds): And as I have said, it did not result in the loss of the taxpayers money.

Mr. RALSTON: But it discouraged three tenderers from tendering again.

Mr. STEWART (Leeds): No, not at all.

Mr. RALSTON: Does my hon friend think that Maynard will tender again?

Mr. MacLEAN: Our good friends have not been altogether consistent. For eight or ten years I sat over where they are now, and while in opposition they were the greatest exponents of the tender system. Now, they come forward with a proposition that really destroys the tender system in this country. How did Mr. Downing get the information that this tender of Mr. Maynard's was $7,380? He must have gotten that information somewhere because he tendered to the very cent.

Mr. QUINN: Everybody in Prince Edward Island knew the figures.

Mr. MacLEAN: Perhaps they did in Halifax too.

Mr. STEWART (Leeds): The passing of the order in council made the matter public, and Mr. Campbell knew it.

Mr. MACKENZIE (Vancouver): Which order in council?

Mr. STEWART (Leeds): The order in council awarding the contract to Mr. Campbell. His was the lowest tender. It was well known down through there that the contract was awarded to him at that figure. It was in the newspapers, I am told.

Mr. MacLEAN: It clearly demonstrates to the house that there was something very irregular in this whole transaction.

Mr. STEWART (Leeds): The irregularity was in the withdrawal of the lowest tender.

Mr. MacLEAN: The minister cannot get away with that. The public are too intelligent for him to put that across. It is no use trying to hide behind a smoke screen of that sort. When I first brought this matter to the attention of the house the Prime Minister said I certainly was misinformed, that no transaction of that kind could possibly happen. Now I am perfectly justified in bringing the matter again to the attention of the house. I think we have convinced everyone in this chamber and the people from coast to coast that we were right, and that the system our friends are now adopting is absolutely wrong. What will happen to tenders for rural mail routes—

Mr. SPENCE: Why worry about them?

Mr. MacLEAN: —if information is given out that the lowest tender is a certain amount, and then on the recommendation of a defeated candidate, such as my friend Mr. Arnett, a certain gentleman who never tendered at all is awarded the contract at the same figure as the lowest tender? I would remind hon. members that if it happens in one department it may happen in all departments. I think it is only fair to ask that this item stand, and that the minister bring down all the correspondence that passed between Mr. Arnett and the department, between Mr. Downing and the department, between the district engineer, Mr. Hyndman, and the department, and between any others and the department. When we get that information we will be in a position to pass judgment. What happened last year prevented the work being carried on at the very time the workingmen of the town needed employment. I would ask that the item stand until the further information is furnished.

Mr. STEWART (Leeds): I have endeavoured to give the committee all the information available.

Some hon. MEMBERS: No, no.

Mr. STEWART (Leeds): Yes, I have endeavoured to lay everything before the committee fully and to state the case fairly. My hon. friend has not placed the case before the committee in its true light. He has suggested that there has been some manipulation of the tenders, that something was done to take the contract away from the lowest tenderer and allow some other person to have it at the same figure. Nothing of the kind was done. This all happened because of the intervention of my hon. friend opposite.

Mr. BROWN: You are laying too much emphasis on that.

Mr. STEWART (Leeds): He asked that the lowest tenderer be relieved from his contract. Then the course was adopted of trying to get the work done at the same figure by a competent contractor. The alternative was selected of getting a good competent contractor instead of the second tenderer do the work. That is all I can say.

Mr. MacLEAN: Does the minister mean to say that Mr. Maynard was not a competent contractor?

Mr. STEWART (Leeds): I do not reflect on Mr. Maynard at all, but I say that the gentleman who has the contract now is competent.

The ACTING CHAIRMAN (Mr. Cowen): Shall the item carry?

Mr. DUFF: No, Mr. Chairman. The minister says he has given us all the information in regard to the matter, but within the last half hour he told me that he did not have any correspondence there might be between Mr. Maynard and the department. Therefore it was understood that the item should stand. Within the last few minutes the minister, in order to furnish some reason for his position in the matter, referred to the fact that in all the advertisements which go out for tenders, whether from his or any other department, there is a clause that the lowest or any tender will not necessarily be accepted. He is quite right. But why is that clause inserted? It is not inserted so that when all the tenders are in the tenderers will be ignored and an outsider, a stranger, be awarded the contract. The purpose of that clause is to enable the department to call for further tenders if they think the lowest tender is not sufficiently low. The Minister of Railways was good enough to come to the help of his colleague. He said there was a "frame-up" between Mr. Campbell and Mr. Maynard. On reflection my hon. friend will surely realize that every day in the year, any corporation—whether it be the Canadian National Railways, the Canadian Pacific Railway, or any other—after awarding a tender will allow one contractor to pass his contract over to another. I repeat, that is done every day, and there is no "frame-up" about it. That has been the practice in the Public Works department for the last ten years.

Mr. SPENCE: Does the other man always get it?

Mr. DUFF: Which other man?

Mr. SPENCE: The man that you suggest has the contract transferred to him. That is no argument.

[Mr. Brown.]

Mr. DUFF: After I sit down I shall be delighted to hear my hon. friend, for he always was very interesting when opposing estimates from this side of the house. I say that in all kinds of business—and the Minister of Railways if he does not know it now will find it out next year—contracts are transferred from one tenderer to another.

Mr. BURY: That was not done in this case.

Mr. DUFF: Yes.

Mr. BURY: He asked for the lowest tender.

Mr. DUFF: That is exactly what happened. He did do it, there was no "frame-up." Mr. Campbell did not want to go on with the contract.

Mr. BURY: Why?

Mr. DUFF: I do not know. I am dealing with my hon. friend's suggestion. What I am saying is that Mr. Campbell, after being notified that he was the lowest tenderer, decided that he did not want to go on with the contract. Mr. Campbell was perfectly justified in transferring that tender to Mr. Maynard, provided the department accepted that transfer.

Mr. MANION: That would be true if Mr. Campbell had taken the contract himself and then assigned it to Mr. Maynard but he did not take the contract; he stepped out of it and then tried to pass it on to another man.

Mr. DUFF: He did not step out of it; he could not step out of it. All Mr. Campbell could have done was to forfeit his deposit in the first place.

Mr. ERNST: No, he asked to be relieved.

Mr. DUFF: He would be a fool to ask to be relieved when he knew that by being relieved he would forfeit his money.

Mr. ERNST: But the hon. member sitting behind my hon. friend asked that he be released.

Mr. DUFF: Yes, on certain conditions, but he could not be released unless the department was satisfied.

Mr. ERNST: But he was released.

Mr. DUFF: I do not understand what the hon. gentleman is trying to get across. I do not believe he knows himself. I am talking particularly to the Minister of Railways, who said there was a frame-up. I say that any day in the year a contractor can transfer his

tender or his contract to another person so long as the department is satisfied with the transfer. So I say there was no frame-up, because it will be shown by the correspondence when it is brought down that Mr. Campbell, as well as the hon. member for Prince, had a distinct understanding with the Department of Public Works that they were quite satisfied to have Mr. Campbell transfer his contract to Mr. Maynard. They accepted Mr. Maynard's deposit cheque and intended to give him the contract. But when some friends of the party opposite suggested something else, Mr. Maynard did not get the contract. I am not blaming Mr. Downing's friends at all. I made the statement previously that as far as I am personally concerned I would rather see a Grit get a contract than a Tory, when the Liberals are in power. I do not object to that, but why is not the minister honest enough to say that was the fact? Why does he not say, "Some of my Conservative friends from Prince Edward Island came to me and said here was a good Tory supporter, this man Downing, who worked hard for the party, and here was a chance to give a little work." Why does not the minister say so? I would have done it if I had been in his place, but why try to camouflage the thing? That is the whole story. Mr. Maynard was to get that contract the department were satisfied to have Mr. Maynard get it, until some of my Conservative friends from Prince Edward Island came to the minister and said Mr. Downing should get the contract instead. That was why the minister sent for the solicitor that was why he wanted to find some way to crawl out. He succeeded in crawling out by doing it in this way, so it is useless for the Minister of Railways to try to get across to the public that there was a frame-up in the matter. There was no frame-up at all it is the usual way of doing business and it is done every day in the year.

Mr. MANION: I did not use the word "frame-up"—

Some hon. MEMBERS: You did.

Mr. MANION: Let me finish. I used the word, of course, but not in an offensive sense with regard to Mr. Maynard or Mr. Campbell. I know nothing about them. I say that as far as they are concerned it was a frame-up to give the contract to Maynard.

Mr. DUFF: No, an understanding.

Mr. MANION: My hon. friend is getting very particular about my words, but he was not so particular to-night when an hon. member on this side interrupted.

Mr. DUFF: I am sure the Minister of Railways is not a bit more careful of his language than I am. He is no more courteous to members on this side of the house than I am to members on the other side, and I will not allow him to get away with that.

Mr. MANION: I was just remarking that my hon. friend was so particular as to change the word "frame-up" to "understanding" but that he was not so particular about his own language. I was going to say that as far as Maynard and Campbell are concerned, Campbell got the contract. That was quite right; he was the lowest tenderer and he was awarded the contract, just as he would have received it if my hon. friend and his friends had been in power. But Mr. Campbell refused to carry it out, and asked to be relieved. Then, after he was relieved of the contract, he wanted to have the privilege of giving it to whomever he desired.

Mr. HANBURY: He was asked to do so by the government.

Mr. MANION: He was not asked to do so. After refusing to carry out a contract for which he had tendered, and in regard to which he had sent a cheque to the department, he wanted to name the contractor to whom he would turn over the work.

Some hon. MEMBERS: No, no.

Mr. MANION: Let me finish. Surely the Minister of Public Works had more right to name the contractor than Mr. Campbell, who had reneged on the contract which he had obtained. The Minister of Public Works is the man responsible to the people of this country, and when Mr. Campbell had obtained the contract by a fair tender and then asked for his cheque back, surely he was not the man to name the contractor. The Minister of Public Works was the man to do that He did name the contractor; he gave out the contract at the same figure and there was not a loss of one dollar to the people of Canada. This talk of the hon. member for Shelburne-Yarmouth, who said that this ruins the tender system in this country, is just the same kind of eyewash as the rest of the protests. This has no effect at all on the tender system; it will not affect that system a particle, because the lowest tender price got the contract.

Mr. VENIOT: He did not.

Mr. MANION: I say the lowest tender price, the lowest tenderer, got it first. He refused to carry out the contract, but it was awarded at the lowest tender price, so that absolutely upholds the tender system. I should like to know what right Mr. Campbell had, after reneging on taking the contract himself, to name the man who should get that contract. What right had the hon. member for Prince to name the man, for that matter?—and I say this with no disrespect to him. I do not object to him or to any other hon. member fighting for his friends, but I do not see why there should be any objection to there being a little friendship shown on this side of the house as well.

Mr. VENIOT: Be honest about it.

Mr. MANION: Yes, I am perfectly honest. I say there has been no injury to the tender system and there has not been the loss of one dollar to the people of this country. Certainly the Minister of Public Works, who is responsible not only to this parliament but to the people of this country as well, was the man to give the contract, rather than the man who originally got it and then reneged on it.

Mr. DUFF: The Minister of Railways has made the statement that Mr. Campbell refused to carry out the contract. That is absolutely incorrect.

Mr. MANION: That is what I am informed.

Mr. DUFF: No, he asked to be relieved of the contract; he did not refuse to carry it out.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I am afraid my hon. friend is becoming a lawyer.

Mr. DUFF: No, I am only a sea lawyer. I sometimes thank God I am not a lawyer. I am not going to allow the Minister of Railways to get away with this; when he states that Mr. Campbell, the first and the lowest contractor, refused to carry out his contract, he is making an incorrect statement. Campbell did no such thing. He could not refuse to carry out his contract without losing his deposit money, in the first place. If he refused to do the work he would lose the $738 which he sent in, representing ten per cent of the amount of the tender. That is the law with regard to public works. What Mr. Campbell did was to make an arrangement with the Department of Public Works that his tender or his contract would be passed over to Mr. Maynard, and to that arrangement the Department of Public Works agreed.

Mr. MYERS: My hon. friend is wrong.

Mr. DUFF: How do you know I am wrong?

Mr. MYERS: That was the second step he took; the first step was when he asked to be relieved of his contract.

Mr. DUFF: My hon. friend says I am wrong, and then he admits I am right. He says that was the second step; of course it was the second step.

Mr. MYERS: He should have taken the first step first.

Mr. DUFF: Mr. Campbell certainly took the first step when he put in his tender. His was the lowest tender, and it was accepted. That was the first step.

Mr. MYERS: Then he wanted to sidestep.

Mr. DUFF: And now the Minister of Public Works is sidestepping. Since five o'clock this afternoon the minister his given seventeen different explanations in regard to this matter, and none of them is correct. The minister admits that he has not before him the full correspondence in the matter. If he would come out honestly and say, "My friends came to me and said this was a chance to help one of our supporters" then, like the Minister of Railways, I would agree with him. We would all agree; we would be three of a kind. But when the Minister of Public Works tries to hide behind a serious mien, tells us he is going to carry on his department by giving contracts to the lowest tenderers, and then deliberately ignores all the tenderers in this matter in order to call in a friend of the party—

Mr. STEWART (Leeds): Again my hon. friend is not stating the case fairly. The Minister of Public Works did not deliberately disregard the lowest tenderer.

Mr. DUFF: Oh yes, he did.

Mr. STEWART (Leeds): No, he did not, excuse me. The lowest tenderer himself disregarded his own tender.

Mr. HANBURY: He asked to be let out of his contract.

Mr. STEWART (Leeds): Not only did he disregard his tender, but he disregarded his contract and asked to be relieved.

Mr. DUFF: Was that disregarding it? He could not disregard his tender unless the department were satisfied; otherwise he would lose his $738.

Mr. STEWART (Leeds): And we took methods to meet his wishes—

Mr. DUFF: Hear, hear.

Mr. STEWART (Leeds): —to relieve him of his contract—

Mr. DUFF: Quite so.

Mr. STEWART (Leeds): —and to get the work done at the same cost by another competent contractor.

Mr. DUFF: No, by transferring it to Mr. Maynard; that is the second step.

Mr. STEWART (Leeds): That is the whole story.

Some hon. MEMBERS: Carried.

Mr. VENIOT: Hon. gentlemen will not succeed in having it carried in this way. We have asked for information and are entitled to it. I know the minister is anxious to give it. He has not the information to-night and I was going to suggest, as I have already suggested, that this matter might stand until we have that information. The minister read from notes this afternoon, and that, I think, has caused all this trouble. If the minister had had the correspondence here this afternoon and had read it, the original correspondence, instead of reading from notes made up for him, he might not have left a wrong impression upon the house. Listening to the notes as he read them, I was convinced that the first tenderer, Mr. Campbell, was informed that he could give up his tender either by forfeiting his deposit or by entering into arrangements to make up the difference between his tender and the next one, Mr. Maynard's. The minister left that impression with us this afternoon, and if that is true then the department cannot get away from the fact that Mr. Maynard, and not an outsider, was entitled, under their instructions to Campbell, to receive the contract. In view of the apparent misunderstanding, from the reading of the notes and the fact that the correspondence has not been produced, I would suggest again that the minister let the matter stand for the time being and take it up when he has the correspondence here.

Mr. STEWART (Leeds): I was reading from the notes prepared in connection with the estimates.

Mr. VENIOT: That is so.

Mr. STEWART (Leeds): I did not have all the correspondence with me—

Mr. VENIOT: I know that.

Mr. STEWART (Leeds): —as, of course, the hon. member knows. But the case has been developed, the facts are all before the committee, and the committee knows as much now as it can know.

Mr. MACKENZIE KING: I have been following the discussion with a good deal of interest and have been debating in my own mind whether the government was seeking to block its own estimates or trying to evade the bringing-down of some correspondence.

Mr. STEWART (Leeds): Neither.

Mr. MACKENZIE KING: Unless there is something to conceal, neither reason seems to be sufficient to account for the time spent in discussion since the request for the correspondence was made. I should think that the minister would find it altogether reasonable, where he has referred to a part of the correspondence, to promise to bring down the whole of it, and he might well let the item stand until he does so. My impression earlier in the day was that hon. members on this side of the house rather expected that most of the harbours and rivers estimates of the Department of Public Works would be completed to-day, and I am surprised to find that since five o'clock this afternoon the house has been discussing this one item relating to a wharf in Summerside, Prince Edward Island, and largely, for the last hour at least, because the minister has persistently refused to bring down the correspondence. That is the only reason further progress has not been made. If the correspondence had been brought down or a promise made to bring it down, the item standing meanwhile, many of the other items would have been passed long before this. The minister even yet might get through a little business between now and eleven o'clock if he would allow the item to stand and promise to bring down all the correspondence. As the matter stands now, it certainly looks as though the government were trying to evade placing some of the correspondence before the house.

Mr. STEWART (Leeds): My right hon. friend was not in the house, and I wish to assure him that I am not endeavouring to

conceal anything, nor am I refusing to bring down correspondence. I will accept the suggestion and see that it is brought down, and in the meantime the item can stand.

Item stands.

Harbours and rivers—Nova Scotia, $698,500.

Mr. RALSTON: There are two or three matters to which I wish to refer in connection with this vote, and they have to do particularly with works in my own constituency. In the first place, I should be glad to be given some information regarding the item of $9,000 for the wharf at Barrington passage, and also the wharf at North East Point, Cape Sable island. What are those?

Mr. STEWART (Leeds): With regard to Barrington passage, the $9,000 is required to provide improved docking facilities in order to accommodate the new ferry service which the provincial government proposes establishing, to handle traffic to and from Cape Sable island. The provincial government has purchased the existing ferry boat and wharves at Barrington passage and North East Point, Cape Sable island. As the present ferry and docking facilities are not capable of taking care of the traffic between Cape Sable island and the mainland, a new ferry boat is being constructed. This will require further docking facilities and improved accommodation, which will be of great benefit to 3,500 people now almost isolated from communication with the mainland.

Mr. RALSTON: I wish to thank the minister for the assistance which is being given in connection with improved facilities for communication with Cape Sable island. Does this indicate a general policy with regard to assisting highway or transportation projects of the provincial government?

Mr. STEWART (Leeds): No, I do not think there is any established policy in connection with that.

Mr. RALSTON: This is for the construction of docking facilities for a ferry under the provincial government, and I am only asking the minister to go a little further. I want to refer him to a matter that has been up for some time in connection with that locality. Cape Sable island, as the minister probably knows, is the southernmost point in Nova Scotia. It has on it the town of Clarke's Harbour, a very thriving, progressive town where a great deal of business is done. The minister has on the records of the department some figures with regard to the business carried on there, particularly in Clarke's Harbour, but that is contributed to by people throughout Cape Sable island. Let me give him one or two figures. These are from a statement made by the board of trade of Clarke's Harbour in 1927, representations having been made to the Department of Public Works. In that year 10,845,000 pounds of lobster were landed, at a value of $325,000. In the cod-fishing season the production was 3,300,000 pounds at a value of $165,000. There are two machine shops, boat-building establishments, and five factories engaged in the canning of lobsters. The population in 1921 was 3,000. The island is separated from the mainland by Barrington passage, and the people who live on the island have to travel nine miles from the ferry to get to Clarke's Harbour. In the winter time they have repeatedly had the service cut off by ice. Their location on Cape Sable island gives them a stragetic position to carry on business, which is a great contribution to the fishing industry, particularly in the western end of the province. I ask the minister not only to give consideration to but to study this matter with a view to making a favourable decision along the line of what he is doing now, namely, to provide better communication with Cape Sable Island. Three years ago resolutions and petitions came in from the residents of that island, including the town of Clarke's Harbour, and the board of trade, pointing out that on account of the ice conditions in the winter communication was frequently cut off, and asking that ice piers be erected in the channel. Those representations were considered and a vote was included in the estimates. Plans were prepared for the construction of five piers altogether; two have been constructed, one entirely and the other practically completed, although as a matter of fact it does not quite show above high water. I ask the minister to complete that pier and to give earnest and serious study to the completion of the other three piers. This would facilitate winter communication and, as I made clear in a letter to the minister not long ago, it would permit the proper authorities, which would be the provincial government, to place steel upon these piers for the construction of a bridge. That project has been in the minds of the people of Clarke's Harbour and Cape Sable island for some time. The piers were designed so

that that might be done. It has been done already in other places. I have in mind Wallace Harbour and Granville Ferry as two places in which the ice piers were used for the purpose of supporting the superstructure of a bridge. I urge that consideration be given to this matter as being necessary from the point of view of the needs of the people for communication and its benefit to the fishing industry in that part of the country. This project should be supported by the Minister of Fisheries (Mr. Rhodes) who knows the importance of the fisheries of Cape Sable island and vicinity.

Mr. STEWART (Leeds): My hon. friend's representations and suggestions in connection with this matter will be very carefully considered, and I will give instructions to our engineers to make a study of this matter.

Progress reported.

On motion of Mr. Bennett, the house adjourned at 10.55 p.m.

Monday, May 4, 1931.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BELL TELEPHONE COMPANY MONOPOLY

Mr. LAVERGNE:

1. Is the government aware that the Bell Telephone Company has an exclusive monopoly in eastern Canada?
2. Is the government aware that said company exacts excessive rates?
3. What remedy, if any, does the government propose, in order to relieve the ratepayers?

Mr. BENNETT: In regard to that question may I say that the officers of the department affected find some difficulty in making an answer which would be entirely responsive to the question. The truth however is that the answer to the first question will be no. With respect to the second question, in view of the fact that the determination as to what constitutes reasonable rates is in the hands of a court set up by this parliament, the Board of Railway Commissioners for Canada, the same answer might reasonably be given. With respect to the third question, concerning the right to take proceedings for the purpose of dealing with the question of rates, I might say the question is in the hands of those affected. The government can say only that this parliament set up the body to which I have referred so that matters of this nature may be taken out of the hands of parliament. Possibly that is all I should say in making an intelligent answer.

Mr. SPEAKER: No. 1, answered.

Mr. POWER: May I ask, for the future information of the house, if that is a proper question?

Mr. SPEAKER: The question is withdrawn, obviating the necessity for a ruling.

CANADIAN NATIONAL RAILWAYS—DEBT

Mr. McGIBBON:

1. What was the debt of the national railways at the end of the fiscal year, 1922; (a) to the public at large; (b) to the government of Canada?
2. What is the debt of the national railways at the end of the fiscal year 1930-1931: (a) to the public; (b) to the government; (c) how much of this is interest?
3. How much of this is due to building and acquiring branch lines: (a) to building and acquiring terminals; (b) how much has been spent on equipment, rolling stock, etc.; (c) how many hotels are owned and operated by the Canadian National Railways, and where are they located; (d) how much is invested in same; (e) what is the operating profit or deficit on each overhead included; (f) how much did it cost to furnish and equip these hotels; (g) what was the payroll of the Canadian National Railways, January, 1922, and what is it to-day?
4. How much is invested in express companies and telegraph companies?
5. What is the operating profit or loss in each, overhead included?
6. What was the payroll, January, 1922?
7. What is it to-day, viz: fiscal year 1930-31?
8. What is Sir Henry Thornton's salary including that from all subsidiary companies, if any?
9. What allowance is made to him for entertainment and expenses?
10. How many officials of the Canadian National Railways receive salaries in excess of $25,000 each?
11. What is the investment represented in the steamships used by the Canadian National Railways in the service between Vancouver and Victoria, British Columbia?
12. What has been the total cost to date of the Canadian National Railways building in New York, and what is the estimated cost of the work yet to be done on this building?
13. How much has been expended by the Canadian National Railways for materials and equipment purchased in the United States from and including the year 1922 to date?
14. How much has been expended on branch lines in the United States, where are they located, and how much on each line, during the above-mentioned period?

Mr. MANION:

1. The capital debt of Canadian National Railways at December 31, 1922, was:

Funded debt held by public		$ 804,503,144 06
Loans from Dominion of Canada	$506,945,969 07	
Interest on loans accrued but unpaid	67,737,461 07	574,683,430 14
		$1,379,186,574 20

2. The capital debt of Canadian National Railways at December 31, 1930, was:

Funded debt held by public		$1,168,565,862 63
Loans from Dominion of Canada	$604,406,239 42	
Interest on loans accrued but unpaid	322,155,901 96	926,562,141 38
Short term loans—public	8,993,000 00	
Short term loans—Minister of Finance	46,660,541 78	55,653,541 78
		$2,150,781,545 79

Appropriations for Canadian government railways:

This represents the contra account to the amount included in other balance sheet accounts in respect to expenditures made out of public funds for capital expenditures, stores and open accounts, of Canadian government railways. The balance in the account at December 31, 1922, was $442,062,571.45, and at December 31, 1930, $403,443,934.56.

3. Amount expended on building and acquiring branch lines during the eight years, 1923-1930, inclusive $ 87,662,132 61

(a) Expended on large freight and passenger terminals (classification 10A and 10B) during the eight years, 1923-1930, inclusive 9,228,315 22

(b) Expended on new equipment, additions and betterments to equipment, less retirements, during the eight years, 1923-30, inclusive 127,831,180 81

(c-d-e) Hotels owned and operated by Canadian National Railways during 1930:

Name	Location	Investment at Dec. 31,1930	Operating profit or deficit	Interest on investment	Total deficit
Chateau Laurier	Ottawa, Ont.	$8,535,866 99	$55,608 65	$419,274 10	$363,665 45
Pictou Lodge	Pictou, N.S.	200,883 42	900 41	10,035 39	9,134 98
Fort Gary	Winnipeg, Man.	2,890,206 32	69,383 73†	144,633 69	214,017 42
Macdonald	Edmonton, Alta.	2,224,851 48	15,475 75	111,088 14	95,612 39
Prince Edward	Brandon, Man.	519,812 44	28,572 27†	25,955 19	54,527 46
Prince Arthur	Port Arthur, Ont.	1,176,921 20	7,781 29†	58,817 87	66,599 16
Jasper Park Lodge	Jasper, Alta.	2,539,153 98	47,766 64†	118,067 46	165,834 10
Nova Scotian	Halifax, N.S.	2,358,418 30	871 99*	58,960 46	58,088 47
Minaki Lodge	Minaki, Ont.	1,091,354 40	50,165 57†	54,334 82	104,500 39

* From June 23, 1930.
†Deficit.

(f) The cost of furnishing and equipping the hotels referred to is included in the investment figures given, and separation is not readily available.

(g) The pay-roll for Canadian National Railways for the year 1922 (including men engaged on Capital A/C, etc.) was $144,397,294. This does not include Central Vermont Railway. The pay-roll of Canadian National Railways for the year 1930 (including men engaged on Capital A/C. etc.) was $159,675,111. This includes $3,218,773 for Central Vermont Railway.

4. The investment account of the Canadian National Express, including goodwill, franchise and contract privileges at December 31, 1930, was $3,352,213.18. The investment account of the Canadian National Commercial Telegraphs, including leased plant and equipment, at December 31, 1930, was $17,995,710.61.

5. The net income of the Canadian National Express for the year 1930 was $290,982.54

after including $78,422.70 for interest on indebtedness. The net income loss of the Canadian National Telegraphs for the year 1930 was $115,323.33 after including $838,021.52 for interest on indebtedness.

6. The pay-roll of Canadian National Express for the year 1922 was $4,081,175. The pay-roll of Canadian National Telegraphs (including men engaged on Capital A/C, etc.) was $2,529,967.

7. The pay-roll of Canadian National Express for the year 1930 was $4,482,106. The pay-roll of Canadian National Telegraphs (including men engaged on Capital A/C, etc.) was $4,650,221. Increase over 1922 made up as follows: $315,887 on account of the acquisition of lines in the maritime provinces (Western Union); $210,368 by the acquisition of Western Union Lines in British Columbia; $195,140 by increase in wage rates and $1,198,859 by increase in staff other than the acquisition of Western Union lines referred to. In the same period the revenue increased from $3,369,162 to $6,239,429.

8. The management state that it is not in the interest of Canadian National Railways to furnish this information.

9. See answer No. 8.

10. Six at present. Will be reduced to five on July 1, 1931.

11. For the present, the service between Vancouver, Victoria and Seattle is being operated by the SS. "Prince David" which cost $2,158,203. It is intended to place a second boat in this service in May next.

12. $416,335.71. The work is fully completed, and no further expenditures will be necessary.

13. Materials purchased from United States firms for use on Canadian National lines in the United States:

Year	Ties	Fuel	New equipment	General materials	Total
	$	$	$	$	$
1923	697,424	2,946,196	6,328,568	3,300,000	13,272,188
1924	1,081,445	1,507,311	684,000	3,125,773	6,335,527
1925	354,642	1,272,273	284,285	4,561,044	6,472,244
1926	546,617	1,326,321	—	4,371,674	6,244,612
1927	720,626	1,618,379	4,184,462	5,053,908	11,577,375
1928	974,626	1,205,555	61,000	5,012,937	7,254,118
1929	687,643	1,095,108	226,204	5,368,943	7,377,898
1930	435,169	736,792	—	3,737,454	4,909,415

Materials purchased from United States firms for use on Canadian National lines in Canada:

Year	Fuel	General materials	Total
	$	$	$
1923	11,483,557	3,486,455	14,970,012
1924	5,495,227	3,717,122	9,212,349
1925	3,860,215	2,894,859	6,755,074
1926	3,813,532	2,486,522	6,300,054
1927	4,949,846	1,202,806	6,152,652
1928	3,696,723	3,357,270	7,053,993
1929	3,749,594	2,433,335	6,182,929
1930	2,797,795	1,644,857	4,442,652

14. The amount given in answer to question 3 includes $3,318,754.05 for lines in United States, viz: construction of a belt line at Pontiac, Mich., $2,035,251.98. Acquisition of Muskegon Railway & Navigation Company, a belt railway at Muskegon, Mich., $519,621.21. Acquisition of stock control (formerly under 99-year lease) of Cincinnati, Saginaw & Mackinaw Railroad, a railroad 53 miles long from Durand to Bay City, Mich., $763,880.86.

MR. G. H. BOULAY

Sir EUGENE FISET:

1. Has any application been received, verbal or otherwise, by the honourable Minister of Railways and Canals, or the honourable Postmaster General, or the honourable Solicitor General, from Mr. H. G. Boulay, defeated candidate in the county of Rimouski, to be appointed as a director of the Canadian National Railways for the Quebec district?

2. If so, why was his application refused?

3. Was Mr. H. G. Boulay offered a senatorship in July, 1917, vice-Honourable Senator L'Esperance?

4. Did he refuse such an appointment?

Mr. CAHAN:

1. No.

2 Answered by No. 1.

3 and 4. No information.

CANADIAN NATIONAL RAILWAYS—GASPE RAILWAYS EMPLOYEES

Mr. MARCIL:

1. When the Gaspe railways were merged with the Canadian National Railways, was there an agreement with the employees regarding permanency of employment and promotion in the service, and if so, is that agreement being lived up to?

2. Are main line employees of the Canadian National Railways filling vacancies on the Gaspe railways, and how many have been appointed since the road was taken over?

Mr. MANION:

1. No agreement.

2. No, except where vacancies may be filled by employees from main line holding seniority rights under agreements with labour organizations. Under these agreements regular employees on Gaspe lines when taken over are protected in their positions and cannot be displaced by employees from main line, but under above agreements vacancies are filled on seniority basis. Eight such permanent vacancies filled by employees from main line since road taken over.

QUEBEC CITY—TENDERS FOR MAIL COLLECTION

Mr. BOUCHARD:

1. Have tenders been called for the collection of mails in the city of Quebec?

2. If so, who are the tenderers, and what prices were submitted by each?

3. To whom was the contract awarded, and at what price?

Mr. SAUVE:

1. Yes, on 22nd May, 1925.

2. Albert Joseph Auclair, $12,300; J. Amedee Demers, $13,000; Eugene Trudel, Jr., $13,900; Eugene Trudel, Jr., $14,990.

3. Albert Joseph Auclair, at $12,300 per annum. Since the contract was awarded, the frequency and distance of service were increased with the increase in cost at pro rata of contract. The present contract expires on 30th June, 1933.

[Sir Eugène Fiset.]

STE. ANNE DE BEAUPRE—POSTMASTER

Mr. CASGRAIN:

1. Is the government aware that since July 28, 1930, there has been a change of postmaster at Ste. Anne de Beaupre, county of Montmorency, Quebec?

2. Was Mr. Raoul Fortier replaced by Mr. Simeon Ratte, and if so, why?

3. Were complaints made against Mr. Fortier?

4. If so, what were the complaints, and by whom were they made?

5. Was an inquiry held?

6. If not, why?

7. By whom was Mr. Simeon Ratte recommended?

8. When did he take charge of his office?

9. Did Mr. Ratte pass the examinations of the Civil Service Commission?

10. Did Mr. Ratte obtain a certificate of qualification from the Civil Service Commission?

Mr. SAUVE:

1. Yes.

2. Mr. Ratte was placed in temporary charge pending a permanent appointment by the Civil Service Commission.

3. Yes.

4. Was charged with active political partisanship by Mr. Thomas Maher, Quebec.

5. No.

6. Postmaster refused to sign declaration denying active participation in politics.

7. By Thomas Maher, largely signed petition of residents of Ste. Anne de Beaupre.

8. He took temporary charge on 3rd January 1931.

9. Mr. Ratte was given a favourable rating by the inspector who interviewed the candidates.

10. The permanent appointment has not yet been made by the commission.

DAIRY INDUSTRY ACT

Mr. BUCKLEY:

1. How many informations, of which the department have record, were laid under the provisions of the Dairy Industry Act, for the years 1928, 1929 and 1930?

2. In which provinces were these informations laid and what number in each?

3. How many convictions were obtained in each province in said years?

4. How many of the individuals convicted underwent imprisonment through failure to pay the fines imposed, and in which province, for the said years?

Mr. WEIR (Melfort):

1. 1928, 100; 1929, 134; 1930, 122.

2. Name of Province	Calendar year 1928	Calendar year 1929	Calendar year 1930
P. E. Island	1	..	..
New Brunswick	..	1	..
Nova Scotia	..	1	..
Quebec	87	103	96
Ontario	11	27	26
Saskatchewan	..	1	..
British Columbia	1	1	..
3.			
P. E. Island	1	..	..
New Brunswick	..	1	..
Nova Scotia	..	1	..
Quebec	84	102	92
Ontario	10	27	26
Saskatchewan	..	1	..
British Columbia	1	1	..

4. 1—individual in the Province of Quebec during the year 1930.

B.C. WOOD PRESERVING CO., LTD.

Mr. REID:

1. What was the total amount charged to the B.C. Wood Preserving Company, Limited, in accordance with the agreement entered into with them by the government in the matter of filling in their property known as district lot 16, group 1, New Westminster district, map 4724 and block A, district lot 16, group 1, N.W.D.?

2. What amounts are still owing the government by this company?

3. Have any attempts been made to collect the balance owing?

4. Was any money spent or authorized to be spent on the purchase of tools, machinery or materials of any kind, including cement, glass, hardware, lumber, cement pipe, or steel rails under the Unemployment Relief Act or the direct relief act by the provincial government. district municipalities or cities of British Columbia?

5. If so, what are the particulars?

Mr. CAHAN:

1. $41,768.13.

2. $26,768.13.

3. Government is safeguarded as to payment by guarantee company bond.

4. No information.

5. Answered by No. 4.

POINTE-AU-PIC—HARBOUR COLLECTIONS

Mr. CASGRAIN:

What amount of money was collected for every department concerned at the harbour of Pointe-au-Pic in the county of Charlevoix, by the wharfinger for the fiscal years 1928-29, 1929-30 and 1930-31?

Mr. CAHAN:

1928-29, $262.37; 1929-30, $212.90; 1930-31, $92.80.

HON. H. W. NEWLANDS

Mr. LAPOINTE:

1. When was Honourable H. W. Newlands appointed Lieutenant-Governor of the province of Saskatchewan and when did his term of office expire?

2. Did Honourable Mr. Newlands send his resignation prior to the end of his term of office, and if so, when?

3. Who was appointed administrator of the province of Saskatchewan pending the appointment of a successor to Honourable Mr. Newlands, and what was the date of such appointment?

4. What was the date of the appointment of a new Lieutenant-Governor of Saskatchewan to replace Honourable H. W. Newlands and when was he sworn in?

Mr. CAHAN:

1. Appointed February 17, 1921—sworn in February 17. Reappointed February 22, 1926—sworn in February 25.

2. No. On 25th October, 1930, the Honourable Mr. Newlands offered to resign his position as Lieutenant-Governor as he wished to go away for the winter but the government granted him leave of absence for the remainder of his term.

3. The Honourable Sir Frederick W. G. Haultain, November 1, 1930; the Honourable Sir Frederick W. G. Haultain, February 23, 1931; the Honourable J. T. Brown, March 10, 1931; the Honourable J. T. McKay, April 10, 1931.

4. Lieut.-Col. Hugh E. Munroe, M.D., appointed March 31, 1931—sworn in April 21, 1931.

AGRICULTURAL PRODUCE MARKETING AGENT AT NEW WESTMINSTER

Mr. REID:

1. Have the services of Mr. W. A. Wilson, agricultural produce marketing agent, been dispensed with, or is he still in the employ of the government as such?

2. Is Mr. E. G. Saunders of New Westminster in the employ of the government?

3. If so, by what department is he employed?

4. What are his duties?

5. Is he supplied with an automobile?

6. If not, is he allowed expenses in lieu of such?

7. Is any check made of the work he is performing?

8. What are his hours of duty?

Mr. CAHAN:

1. Mr. W. A. Wilson is still in the employ of the federal Department of Agriculture as agricultural produce marketing agent in London.

2. Yes.

3. Department of the Interior.

4. Silvicultural research and forest inventory investigations.

5. Yes.

6. Answered by No. 5.

7. Yes.

8. Regular office hours as prescribed by the Civil Service Commission regulations.

CAP CHAT LIGHTHOUSE KEEPER

Mr. BRASSET:

1. What is the name of the lighthouse keeper at Cap Chat, county of Gaspe, Quebec?

2. What is his age, and by whom was he recommended?

3. Has he passed the examinations required by the Civil Service Commission?

4. Were notices given to the public advertising this position?

5. Does the Department of Marine know that there are some returned soldiers at Cap Chat who are qualified to occupy that position?

Mr. DURANLEAU:

1. Jean Francois Roy is temporarily in charge pending a permanent appointment.

2. The Department of Marine has no information as to his age. He was recommended by Mr. W. A. E. Flynn.

3. He was examined by an officer of the Department of Marine who reported him competent to perform the duties required of him.

4. The Civil Service Commission has been requested to make a permanent appointment.

5. No.

*CREDIT ORGANIZATION TO ASSIST AGRICULTURE

Mr. MacLEAN:

1. Has an organization been formed to assist agriculture in Canada with an amount of money available for assistance to farms?

2. If so, what amount of money is available for this fund?

3. By whom is the money advanced for this fund?

4. Is this assistance available to all sections and provinces in Canada?

5. If not, why?

6. What amount is to be given to each applicant?

7. How is the fund to be handled and what constitutes a legitimate applicant?

8. Is the fund in operation at the present time?

Mr. BENNETT: Perhaps this question had better be answered verbally. I have the knowledge that other members have as to the establishment of a credit organization; and that a charter has been obtained under the provisions of the Companies Act for the purpose of enabling the company to function. It might also be said that legislation was introduced into the Ontario legislature to enable certain loan companies incorporated under the laws of this province to subscribe to the capital stock of the enterprise, which under their charters they could not have done; and that similar enabling legislation with respect to companies of that character having a federal charter will be introduced in this house so that they also may become shareholders in the enterprise. Further information will be available when the matter has developed to the stage that these companies are in a position to exercise their new powers and become shareholders in the credit organization. If the hon. gentleman, during the progress of the estimates, requires additional information in the light of further knowledge, it will be furnished to him.

Mr. MacLEAN: That is quite satisfactory.

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY

Mr. GARDINER:

1. Has the government received any notice to the effect that the Beauharnois Light, Heat & Power Company has applied to the government of the province of Quebec for permission and has been granted the right to divert an additional 30,000 cubic feet of water per second through the Beauharnois canal?

2. Do the plans already filed by the Beauharnois Light, Heat & Power Company and approved by the government, enable the company to divert the above mentioned 30,000 cubic feet of water per second through its canal?

3. If it is necessary for the government to approve of the plans of the Beauharnois Light, Heat & Power Company to allow them to divert this additional 30,000 cubic feet of water per second, is it the intention of the government to approve of such plans without giving the house an opportunity of considering the said application?

Mr. BENNETT: The first paragraph of this question involves some consideration of provincial rights. The government has been advised that an application was made to the provincial government of Quebec and that it had been granted; that is as far as it goes. As to the second paragraph, I assume the hon. gentleman means: Do the plans already approved by the government enable the company to divert the water, because the plans filed are open to many interpretations? The plans approved with respect to the matter only contemplate the diversion of the quantity of the water that the company then had the right to divert. The third paragraph, as I understand it, is as to the necessity of securing approval of the government for a further diversion of water.

Mr. GARDINER: In that part of my question I ask the government if, before approval is given, the House of Commons will be afforded an opportunity of discusssing the matter.

Mr. BENNETT: As to the last part of the hon. gentleman's question, with all deference, Mr. Speaker, it is difficult to see how it is a question of fact that can be determined. The law does not impose any duty on the House of Commons with respect to the matter, but it might depend on what transpired in the course of the application. An expression of intention is impossible for the government to give now, and I do not think that in regard to policy it is required to give any response to a question of this character.

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY—DEPARTMENTAL INVESTIGATION

Mr. GARDINER:

1. Has the right honourable, the Prime Minister, received the departmental report of the investigation regarding Beauharnois which he mentioned at the special session as having been undertaken by him?
2. If such a report has been received, will he table it?
3. Have plans for remedial works of the Beauharnois development been filed and approved by the government?
4. Are the plans under which the Beauharnois development is now being proceeded with the same plans which were approved by order in council, P.C. 422, dated May 8, 1929?
5. If the present plans are not the same as above approved, have they been approved, and if so, how and when?
6. If any change has been made in these plans, what are the changes and why were such changes made?

Mr. BENNETT: As to question No. 11, I say to the chamber that I am in some doubt as to how far a minister should go in answering a question of this kind. A confidential report was asked for from the engineers of the department, and that report was furnished.

Mr. STEWART (Edmonton): Is that the second application?

Mr. BENNETT: No, during the progress of the work last summer. Frankly, I do not think it is in the public interest to submit that report to the house at the moment, because it was intended for the guidance of the minister, and would certainly be privileged in a court if it were furnished to the executive of a corporation for the purpose of enabling him to determine his action. I say to my hon. friend that there is no reason why I should not give him in a general way such information as is possible, but confidential information furnished to the head of the department for the purpose of enabling him intelligently to discuss the matter is not, I submit, information that should be laid on the table of the house. That is my view at the moment; and I have been trying to satisfy myself more fully upon it, for I realize that under our system of government very few things are privileged. But I do regard it as not in the public interest to furnish a report that was personally asked for by myself to enable me to have fuller information on a matter with regard to which I would have to make a statement later.

Mr. GARDINER: Does the Prime Minister say the question should stand?

Mr. BENNETT: Yes. I did not want my hon. friend to think it was being delayed.

CANADIAN COOPERATIVE WHEAT PRODUCERS LIMITED—BANK LOANS

Mr. MERCIER (St. Henri):

1. Is the government aware that the Canadian banks have advanced, in loans or guarantees, the sum of $68,000,000 to the Canadian Co-Operative Wheat Producers, Limited?
2. Has the government, to date, guaranteed the banks interested in these loans in favour of wheat pools, for said amount of $68,000,000, totally or partially?
3. If partially, up to what amount?

Mr. BENNETT: I ask that question 9 stand, Mr. Speaker. My hon. friend from St. Henri (Mr. Mercier) is not in his seat. As his question is framed, the answer if it were categorical would have to be "no" to part of it and "yes" to part of it. I was going to suggest to him that the form of the question might be modified so the information could be supplied.

BONAVENTURE CENSUS COMMISSIONER

Mr. MARCIL:

1. Who was appointed census commissioner for the electoral division of Bonaventure?
2. By whom was he recommended?
3. What salary is he paid?
4. What persons were appointed by him as census enumerators in each parish of the said county?

Mr. STEVENS: This question was answered on April 29th. It should be stricken off the order paper.

CANADIAN OIL REFINERIES—EMPLOYEES

Mr. HEENAN:

1. Has the number of employees of Canadian oil refineries been increased or decreased since last September?
2. If so, at what points?

Mr. BENNETT: This is a question which the government is not in a position to answer without making inquiries. I think, Mr. Speaker, that it is not a proper question. A member might put on the order paper a question: What is the distance from here to Mars? As to this, the same sources of information are open to him as to the govern-

ment. Similarly, it would hardly be expected that the government should inquire as to the number of people employed in any particular business. In one of the departments information furnished in reply to questionnaires is regarded as confidential as it might be taken advantage of by competitors; but an analysis of the information itself has been given to the house and the country. If the hon. gentleman desires us to send out a questionnaire, we will do it for the purpose of answering the question as near as possible.

Mr. HEENAN: Stands.

CRAWLEY COMPANY CONTRACTS

Mr. DUGUAY:

1. Has the Crawley Company a contract with the Canadian National railways for supplying the employees working on the railroad track in the county of lake St. John with food supplies?

2. If so, since when and on what conditions?

Mr. MANION:

1. Crawley and McCracken Company Limited have a contract covering the boarding of certain employees.

2. Effective from April 14, 1927, for boarding certain employees at specified rates.

SETTLEMENT OF LAND CLAIMS—C. N. R.

Mr. McLURE:

1. Has the settlement of the land claims for land taken by the Canadian National railways during the construction of the Lake Verde-Pisquid branch line in Prince Edward Island been paid?

2. If so, when were payments made?

3. To whom were payments made?

4. Have any not been paid, and if so, for what reasons?

Mr. MANION:

1. Twenty-eight of the 50 owners concerned have been settled with.

2. Payments were made between July 3, 1930, and April 30, 1931.

3. To the following: Amos J. Lane, Margaret Kelly, J. Callaghan, (per Soldier Settlement Board), Gillmore Jardine, Frank McKenna, Louis Trainor, Joseph McAdam, James Burns, Frank Quinn, James McAdam, Angus McNeill, Phillip Shea, James J. Trainor, Ambrose Boylan, John Hughes, Estate of S. R. Jenkins, James A. Hughes, Teresa McAvinn, Angus McDonald, Charles Ostridge, A. & P. McKinnon, Clarence Coffin, John W. Jay, J. D. McDonald, (per Soldier Settlement Board), John McInnis and Mary Gillis, Andrew McKinnon, H. F. Feehan, James A. MacDonald.

[Mr. Bennett.]

4. Yes; 22 owners not yet paid. In 17 cases an amount was asked by owners which was considered unreasonable by the railway company. In 4 cases negotiations are proceeding satisfactorily to owner, and it is expected that settlement will be made shortly. In one case title is in doubt.

TRENT CANAL EMPLOYEES

Mr. BOUCHARD:

1. How many employees have been retired from the Trent canal service since October, 1930?

2. What are their names?

Mr. MANION:

1. Employees retired since October, 1930. —12.

2. Eastern division: Thos. Black, Wm. Roberts; Western division: George H. Giroux. Seasonal men not re-employed: Eastern division: Arthur Curtis, John Allen, James Cruickshanks, Bert Sullivan, Wm. Fisher, Chas. Jarrett, Geo. Garlick, Thos. McCabe, W. J. Frankish; Western division: None. In addition to the above, other men employed for particular jobs whose services were no longer required upon the completion of such jobs total: Eastern division, 86; Western division, 40.

EX-SERVICE MEN—TRENT CANAL

Mr. BOUCHARD:

1. How many ex-service men have been retired from the Trent canal service since October, 1930?

2. How many men have replaced them who saw no military service?

3. Who recommended such dismissals?

4. Why were these men dismissed from their positions on the Trent canal?

Mr. MANION:

1. Eastern division, None; Western division, None. Seasonal men not re-employed: Eastern division, Arthur Curtis, John Allen, James Cruickshanks, Chas. Jarrett. Western division, None. In addition to the above, other ex-service men employed for particular jobs whose services were no longer required upon the completion of such jobs total as follows: Eastern division, 38; Western division, 10.

2. Replacements by men who saw no military service: Eastern division, None; Western division, None.

3. There were no dismissals. Where labourers were replaced by others it was on the recommendation of the superintending engineer because of unsatisfactory service.

4. Answered by No. 3.

DISMISSAL OF POTATO INSPECTORS

Mr. VENIOT:

1. Were inspectors of potatoes Welch, MacLeod, Palmer and McCloskey dismissed, if so, on whose recommendation?
2. What are the reasons assigned for their dismissal or dispensing with their services?
3. Were these inspectors appointed on certificates of the Civil Service Commission, and on what dates were the appointments made?

Mr. WEIR (Melfort):

1. No.
2. Their temporary certificates expired.
3. Yes. G. Welch, first appointed September 19, 1927, under temporary certificate for a period not exceeding six months. Certificate extended from time to time as required; W. D. MacLeod, first appointed September 19, 1927, under temporary certificate for a period not exceeding six months. Certificate extended from time to time as required; D. S. Palmer, first appointed October 3, 1929, under temporary certificate for a period not exceeding four months. Certificate extended from time to time as required; C. W. McClosey, first appointed March 18, 1930, under temporary certificate for a period not exceeding six months. Certificate extended from time to time as required.

POST OFFICE REVENUE

Mr. VENIOT:

1. What was the revenue of the Post Office Department for year ending March 31, 1931: (a) gross revenue; (b) net revenue; (c) details of deductions showing difference between gross revenue and net revenue?
2. What are details of statement of expenditure for fiscal year, etc., as shown each year on page 14 of Report of Postmaster General?

Mr. SAUVE:

Details of revenue and expenditure are not yet available as books have not yet been balanced for the year, nor have all accounts for the year been received.

EUGENE FORTIN

Mr. FAFARD:

1. Was Mr. Eugene Fortin, of Cap St. Ignace, county of Montmagny, employed as stoker on board the C.G.S. Druid in 1930?
2. Were his services required in 1931?
3. If so, on what date?
4. Is he still employed as stoker on board C.G.S. Druid, and if not, why?
5. Was he dismissed, and if so, by whom was his dismissal ordered?

Mr. DURANLEAU:

1. Yes.

2 and 3. He was again employed March 2nd, 1931.

4 and 5. No. He was paid off March 12th. Services terminated by order of the Minister of Marine.

SHOOTING LEASE—PASQUA INDIAN RESERVATION

Mr. WOODSWORTH:

1. Was a shooting lease on the Pasqua Indian reservation applied for by the Antapa club in 1925?
2. Did the department in 1926 refuse a lease to the late D. H. McDonald of Fort Qu'Appelle and refund the rental deposits?
3. Was the consent of the Pasqua band secured before the lease of 1928 was granted by the department?
4. Will said lease permit the members of the Antapa club to take liquor on to the Indian reservation?
5. Was Indian commissioner W. M. Graham a member of the Antapa Shooting Club of Regina, Limited?
6. What action does the department propose to take in this matter?

Mr. MURPHY:

1. Yes.
2. Yes.
3. No.
4. No.
5. Yes.
6. No further action contemplated. Lease has issued to the Antapa Shooting Club.

PREVENTIVE OFFICES—NOVA SCOTIA

Mr. DUFF:

1. How many preventive officers are employed in the province of Nova Scotia?
2. Are they all full time employees?
3. If not what are the names and addresses of those only giving part time to the work?

Mr. CAHAN:

1. 59 with salary, 10 without salary.
2. No.
3. C. J. McCready, Little Bras d'Or, A. D. MacDonald, Bay St. Lawrence, J. W. Fraser, Truro, without salary, H. Horton, Shubenacadie, without salary, S. MacDonald, Windsor, without salary, R. C. Soy, Stellarton, without salary, W. J. Thibault, Sydney, without salary, W. M. Beazley, R.C.M. Police, Halifax, without salary, J. P. Blakeney, R.C.M. Police, Halifax, without salary, F. P. Fahie, R.C.M. Police, Halifax, without salary, A. E. Rockwell, R.C.M. Police, Halifax, without salary, R. H. Scriven, R.C.M. Police, Halifax, without salary.

COUNT DE JOCAS

Mr. DUFF:

1. Is Count de Jocas employed in the Auditor General's department?
2. If so, what is his position?
3. What is his salary?
4. Is he a permanent employee?
5. Has he been appointed by the Civil Service Commission?
6. Is he a British subject?

Mr. CAHAN:

1. Vicomte H. de Jocas is employed in the Auditor General's office.
2. Principal translator.
3. $2,520.
4. Yes.
5. Yes.
6. Yes.

ST. HERMAS, QUE.—MAIL CONTRACTS

Mr. RINFRET:

1. Were contracts for the transportation of mails held by Antonin Leroux and Rosario Leroux, of St. Hermas, Quebec, on July 28, 1930?
2. If so, have these contracts been cancelled and on what date, and for what reason?
3. What are the names of the present holders of these contracts?
4. On what conditions were the contracts: (a) stated in question 1; (b) and the present ones, granted?

Mr. SAUVE:

1. Yes.
2. Yes, on 17th September, 1930, by order of the Postmaster General.
3. Augustin Lafond for St. Hermas No. 2 rural route and Adelard Leroux for St. Hermas and railway station.
4. (a) St. Hermas and railway station, $600 per annum; St. Hermas No. 2 R. R., $617 per annum; (b) St. Hermas and railway station, $600 per annum; St. Hermas No. 2 R.R., $617 per annum.

DONAT HOUDE

Mr. DENIS:

1. Has Mr. Donat Houde, of Montreal, who was serving a prison term been liberated by virtue of the Parole Act?
2. If so, on what date?
3. What period of imprisonment did he serve?
4. What was supposed to be the length of his sentence?
5. For what offence was he convicted?

Mr. DUPRE:

1. No.
2. Answered by No. 1.
3. Answered by No. 1.
4. Answered by No. 1.
5. Breaking, entering and theft.

PONT VIAU, QUE.—POSTMASTER

Mr. MERCIER (Laurier-Outremont):

1. For what reason was Mr. J. B. Arthur Primeau, of Pont Viau, in the county of Laval, dismissed from his office as postmaster?
2. On whose recommendation was this dismissal made?

Mr. SAUVE:

1. and 2. See answer on page 1081, unrevised House of Commons debates of the 27th April, 1931.

J. ARTHUR BERNIER

Mr. SEGUIN:

1. Is Mr. J. Arthur Bernier still in the service of the government as district inspector of customs and excise at Montreal?
2. If not, why was he relieved from his duties?
3. Is he at present receiving a pension?
4. If so, what is the amount of said pension?
5. Was an inquiry held to determine the reasons for his dismissal?

Mr. CAHAN:

1. No.
2. Retired on medical grounds at his own request.
3. Yes.
4. $2,135.21 per annum.
5. Answered by No. 2.

BUTTER IMPORTS

Mr. BARIBEAU:

1. How many pounds of butter were imported into Canada from October 5, 1930, to March 31, 1931?
2. From what countries were said importations made?

Mr. STEVENS:

1. Canada's total quantity of butter imported from October 1, 1929, to March 31, 1931 was:

Period	Pounds
October 1, 1929 to March 31, 1930..	35,402,261
October 1, 1930 to March 31, 1931..	4,871,420

2. Canada's total quantity of butter imported by countries from October 1, 1929, to March 31, 1931 was:

Countries	October 1, 1929 to March 31, 1930	October 1, 1930 to March 31, 1931
	Pounds	Pounds
United Kingdom..	1,344	215,600
United States..	55,048	15,284
Australia..	800,912	2,107,840
Newfoundland..	828	—
New Zealand..	34,543,300	2,532,696
Syria..	829	—

TOBACCO IMPORTS

Mr. GOTT:

1. How many pounds of tobacco, raw leaf, were imported into Canada for the 12 months ending March 31, 1931: (a) from the United States; (b) from other countries?

2. How much manufactured tobacco was imported for the same period from all countries?

3. How much excise tax was collected on cigarettes for the year ending March 31, 1931?

4. How much in excise or other taxes was collected by the government of Canada, all branches, from the tobacco industry, all branches, for the same period?

5. How much tobacco was exported from Canada during the same period?

6. To what countries was it exported?

Mr. STEVENS:

1. Canada's imports of tobacco, unmanufactured, by countries, for the year ended March 31, 1931, were:

Countries	Pounds	$
(a) United States	15,092,356	4,335,903
(b) Other countries—		
Argentina	8	4
Belgium	15,552	8,232
Brazil	157	53
Bulgaria	607	273
Cuba	1,179,884	923,340
Germany	3,109	1,605
Greece	10,735	5,155
Italy	50,604	18,790
Netherlands	68,616	81,501
Dutch East Indies	83,809	76,701
Russia	306	105
Spain	5	5
United Kingdom	74,646	37,282
(b) Other countries	1,488,038	1,153,046
Total Imports	16,580,394	5,488,949

2. Canada's imports of tobacco, manufactured, by countries, for the year ended March 31, 1931, were:

Countries	Pounds	$
Aden	16	29
Alaska	84	101
Belgium	201	1,011
British South Africa	100	57
British West Indies—		
Jamaica	496	2,859
Other British West Indies	68	288
China	7,680	2,562
Cuba	12,955	92,429
Egypt	513	2,681
Finland	54	107
France	715	737
Germany	5	7
Hong Kong	18,451	6,644
Irish Free State	25	77
Netherlands	64	40
Dutch East Indies	15	25
Newfoundland	42	24
Norway	30	23
United Kingdom	189,450	620,883
United States	176,211	244,214
Total Imports	407,175	974,798

3. Will be answered by the Department of National Revenue.

4. Will be answered by the Department of National Revenue.

5. Canada's domestic exports of tobacco for the year ended March 31, 1931, were:

Classification	Pounds	$
Unmanufactured tobacco—		
Burley	2,357,496	417,661
Bright, flue-cured	1,515,363	660,544
Dark, air and fire cured	2,021,571	403,831
Other unmanufactured tobacco	156,889	23,558
Stems and cuttings (tobacco)	576,200	4,840
Manufactured tobacco—		
Cigars	1,556	3,631
Cigarettes	282	387
Plug and twist	15,343	8,452
Other manufactured tobacco	247,805	50,201
Total Tobacco	6,892,505	1,573,105

6. Canada's domestic exports of tobacco, by countries, for the year ended March 31, 1931, were:

Countries	Pounds	$
Unmanufactured tobacco—		
To Belgium	949,829	70,213
Canary Islands	32,510	1,300
China	41,999	4,457
Denmark	11,070	941
France	110	24
Germany	10,203	575
Malta	2,418	242
Netherlands	133,958	9,371
Nigeria	16,435	657
St. Pierre and Miquelon	200	61
Switzerland	27,649	1,217
United Kingdom	4,820,202	1,415,103
United States	4,736	1,433
Total Exports	6,051,319	1,505,594
Stems and cuttings (tobacco)—		
To United Kingdom	20,000	813
United States	556,200	4,027
Total Exports	576,200	4,840
Manufactured tobacco—		
To Australia	28	119
Barbados	120	72
Belgium	57	77
Bermuda	318	200
British South Africa	17	39
Ceylon	7	24
China	227,610	33,992
Denmark	4	9
France	4	7
Hong Kong	5	9
Jamaica	1,041	707
Japan	2,525	1,277
Newfoundland	26,480	17,506

Countries	Pounds	$
Manufactured tobacco—		
New Zealand	649	905
Panama	12	15
St. Pierre and Miquelon	245	263
Switzerland	356	488
United Kingdom	206	363
United States	5,302	7,499
Total Exports	264,986	62,671

SUMMERSIDE, P. E. I. WHARF

Mr. MYERS:

1. Was there a sum of money voted by parliament during the session from February to June, 1930, for the repairs or rebuilding of the railway wharf at Summerside, Prince county, Prince Edward Island?
2. Were tenders called for this work?
3. What were the names of the parties tendering and the amount of each tender?
4. Did the party who secured the contract ask to be relieved of the same, and for what reasons and on what date?
5. When was his deposit cheque returned to him?
6. To whom was the contract subsequently given and under what conditions?

Mr. STEWART (Leeds):

1. Yes.

2. Yes.

3. J. E. Campbell, $7,380 (unit rates); W. R. Maynard, $7,472 (unit rates); Everett McLeod and Duncan McKenzie, $8,280 (unit rates); Henry J. Phillips and P. G. Clarke, $8,770 (unit rates).

4. A. E. MacLean, M.P., telegraphed on July 29, 1930, that J. E. Campbell wished to withdraw tender. No reasons given.

5. August 22, 1930.

6. (a) H. M. Downing; (b) On original specification and plan and at same unit rates as original lowest tenderer.

MEGUASHA—DALHOUSIE, N.B., FERRY SERVICE

Mr. MARCIL:

1. Has the government entered into a contract for a ferry service between Meguasha, Quebec, and Dalhousie, New Brunswick?
2. If so, with whom?
3. If not, why not?

Mr. MANION:

1. Tenders were recently called for this service, but no decision has yet been given in regard thereto.

2. Answered by No. 1.

3. The subject is still under consideration by the government.

J. O. LEBLANC

Mr. HANSON (York-Sunbury):

1. Is J. O. LeBlanc, assistant naval secretary, in the Department of National Defence, a returned soldier?
2. Was this man compelled to enlist against his will during the war?
3. What is his salary?

Mr. SUTHERLAND:

1 and 2. Mr. LeBlanc was exempt from military service at the request of the department of naval service. On appeal the exemption was limited to 1st May, 1918, but before that date Mr. LeBlanc enlisted voluntarily. He served in Canada first in the military forces and later in the naval service until the end of the war.

3. $3,300 per annum.

*REPORT OF AGRICULTURAL INSTITUTE

Mr. MOTHERWELL:

1. Has the Prime Minister or any other member of the government received any report of the proceedings of the recently held agricultural institute at Rome from the Hon. the Canadian High Commissioner in London or any other Canadian representatives attending such institute or wheat conference?
2. If so, will such report be tabled?

Mr. BENNETT: With respect to this question, I have a summary which was prepared by the department which does not go into any detail, but in looking over it I see the reason why it should not be presented to the house, although it was not intended that it should be printed at the moment since the newspapers have given as full a report as we have with respect to what has transpired. I will send a copy of the summary to my hon. friend, and if he thinks it should be tabled I will be glad to do so.

GASCONS WEST, QUE., POSTMASTER

Mr. MARCIL:

1. Has Mr. David Morin, postmaster of Gascons West, been dismissed, and if so, for what reason?
2. Was an investigation held, and if so, by whom and with what result?

3. Did the Post Office Department receive a petition signed by the majority of the patrons of that office, asking that Mr. Morin remain as postmaster?

4. Is the department aware that Mr. Morin and his mother, Mrs. (widow) Louis Morin, were postmasters in turn for thirty-four years, without any complaints being made against either of them?

Mr. SAUVE:

1. No.

2. Yes, by Mr. Gerard Simard who found that postmaster was guilty of active political partisanship.

3. Department received a petition bearing sixty-seven names.

4. The departmental records indicate that the services rendered were satisfactory.

SKINNER'S POND, P.E.I., HARBOUR

Mr. McLURE:

1. Did the federal government public works engineer, Mr. Hyndman, report with reference to the feasibility of the boat harbour at Skinner's Pond, Tignish, Prince county, Prince Edward Island?

2. Was an appropriation passed during the session of parliament, February to June, 1930, for the construction of this boat harbour at Skinner's Pond?

3. Were tenders called for this construction work?

4. Was the contract awarded to Mr. Andrew Martin for the construction of the above mentioned boat harbour?

5. What other tenders were received for the construction of this work, and what was the amount of each tender?

6. What was the estimate of the federal government engineer for this construction work?

7. Following the election in July, 1930, did Mr. Andrew Martin apply to the Department of Public Works, Ottawa, asking for the return of his deposit on his tender, amounting to some three thousand dollars?

8. What reasons did Mr. Andrew Martin give for asking for the return of his deposit?

Mr. STEWART (Leeds):

1. Yes.

2. Yes.

3. Yes.

4. Yes, for the sum of $31,780.

5. Tender from Messrs. Henry J. Phillips and Peter G. Clark, $54,680.

6. $53,605.

7. Yes.

8. That he made a mistake in his tender.

PREVENTIVE OFFICER SOUCY

Mr. VENIOT:

1. Was Preventive Officer Soucy, Madawaska county, New Brunswick, dismissed from the service, and if so, when?

2. What was the reason assigned for his dismissal, and if on account of political partisanship, was an investigation held?

3. What was the nature of the report of the investigator?

[Mr. Marcil.]

Mr. CAHAN:

1. Eddie S. Soucie, Customs Excise Enforcement officer at St. Leonards, N.B., was dismissed by order in council dated April 23, 1931.

2. Political partisanship. Yes.

3. The commissioner appointed to investigate the charge reported him guilty of political partisanship.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RESIGNATION OF POSTMASTERS—ST. HYACINTHE-ROUVILLE

Mr. FONTAINE:

1. To how many postmasters, in the counties of St. Hyacinthe-Rouville, have demands of resignation been sent since August 1, 1930?

2. What are the names and addresses of postmasters to whom demands of resignation were made?

3. Were inquiries held in each case; by whom were they held, and what was the result?

4. How much was paid to the inquiry commissioner in each case for his services and other fees?

5. Who required these inquiries to be made?

6. Was a preliminary notice sent to the postmasters in each case to the effect that such inquiry was going to be held, and what was the length of said notice?

7. What are the names of places where postmasters were dismissed in the counties of St. Hyacinthe-Rouville since August 1, 1930?

8. Were the dismissed postmasters replaced by persons duly qualified to fill the office of postmaster?

QUEBEC HARBOUR COMMISSION—MR. MAJELLA MADDEN

Mr. POWER:

1. Is one Mr. Majella Madden employed by the Quebec harbour commission?

2. If so, what is his occupation?

3. What is his salary?

4. What are his working hours?

5. Does Mr. Majella Madden receive other moneys from the harbour commission for other services?

6. Does he have any horses working for the harbour commission?

7. If so, how many, and what sum of money does he receive on that account?

UNOPPOSED MOTIONS FOR PAPERS

BEAUPORT, QUE.—PUBLIC BUILDING

Mr. POWER:

For a copy of all documents, papers, memoranda and letters exchanged between any municipal corporation or other persons and the Department of Public Works since August 7, 1930, respecting the public building at Beauport, Quebec, for the construction of which funds were provided in the estimates of 1930-31, and also copy of all tenders received in connection

with the construction of the said building, and correspondence relating thereto, and copy of any reports of engineers or architects of the Department of Public Works relating to the said building made to the Minister of Public Works or to the department since January 1, 1928.

FARNHAM, QUE.—PUBLIC BUILDING

Mr. HOWARD:

For a copy of all documents, papers, memoranda and letters exchanged between any municipal corporation or other persons and the Department of Public Works since August 7, 1930, respecting the public building at Farnham, Quebec, for the construction of which funds were provided in the estimates of 1930-31, and also copy of all tenders received in connection with the construction of the said building, and correspondence relating thereto, and a copy of any reports of engineers or architects of the Department of Public Works relating to the said building made to the Minister of Public Works or to the department since January 1, 1928.

ROSS RIFLE BUILDING—QUEBEC

Mr. POWER:

For a copy of all documents, correspondence, memoranda, exchanged since August 7, 1930, between the mayor of the city of Quebec, or any member of the city council or any members of parliament and the Solicitor General, the Prime Minister, the Acting Prime Minister, the Minister of National Defence, Deputy Minister of National Defence, or the Director of Contracts of the Department of National Defence, with respect to a contract or contracts entered to between the Department of National Defence and any party, firm or corporation, for the purpose of demolishing and taking away the building known as the Deakin building and the building known as the Ross Rifle building at Quebec, and also showing all tenders, prices submitted and offers made by any party or parties in connection with the said demolition and correspondence relating thereto since August 7, 1930.

Mr. POWER: Dropped.

Dropped.

ST. RAYMOND, QUE.—PUBLIC BUILDING

Mr. DESROCHERS:

For a copy of all documents, papers, memoranda and letters exchanged between any municipal corporation or other persons and the Department of Public Works since August 7, 1930, respecting the public building at St. Raymond, county of Portneuf, Quebec, for the construction of which funds were provided in the estimates of 1930-31, and also copy of all tenders received in connection with the construction of the said building, and correspondence relating thereto, and copy of any reports of engineers or architects of the Department of Public Works relating to the said building made to the Minister of Public Works or to the department since January 1, 1928.

TRANSPORTATION OF POSTAL PARCELS—MONTREAL

Mr. RINFRET:

For a copy of all correspondence, telegrams and other documents, exchanged between any person and the Post Office Department, in connection with the temporary agreement made between this department and Mr. A. Laurent, for the transportation of postal parcels at Montreal; also copy of contract, for the same service, made between the department and Messrs. Gour and Richer, and cancelled on September 30, 1930.

ST. HERMAS, QUE.—MAIL CONTRACTS

Mr. RINFRET:

For a copy of all correspondence, telegrams, and documents exchanged between any person and the Post Office Department in connection with the cancellation of contracts, for the transportation of mails, held by Messrs. Antonin Leroux and Rosario Leroux, of St. Hermas, Quebec, and the subsequent granting of said contracts to new holders.

UNEMPLOYMENT RELIEF ACT—INSPECTORS

Mr. POWER:

For a return showing the names, addresses and previous occupations of those who have been appointed by the federal government as inspectors for inquiring into the expenditure under the Unemployment Relief Act in the province of Quebec. Also on what terms are these men employed, at what salary and how much has been paid to each by way of salary, travelling and hotel expenses to date.

DISMISSAL OF VANCOUVEB HARBOUR POLICE

Mr. MACKENZIE (Vancouver Centre):

For a copy of all documents, memoranda or correspondence exchanged between any minister of the crown and the Vancouver Board of Harbour Commissioners, or between the Vancouver Board of Harbour Commissioners and any other person, organization or corporation, in regard to the dismissal of the following returned soldiers from the Vancouver harbour police: Inspector James Robinson, D.C.M.; Sergeant Frank Waters, W. D. Cook, M.C.; J. C. Farrell, M.C.; James Davidson, M.C., and W. T. Johnston.

DOMINION AGRICULTURAL CREDIT COMPANY

Mr. CASGRAIN:

For a copy of all documents, including petition for issuance of letters patent, memorandums, agreements and all other such documents which have been filed with the Department of the Secretary of State of Canada, according to the Companies Act, for the incorporation of the Dominion Agricultural Credit Company, and all correspondence exchanged between the Department of the Secretary of State and the person or persons who acted on behalf of the said Dominion Agricultural Credit Company, in order to obtain issuance of the said letters patent.

DEPORTATION OF ROBERT CAMPBELL

Mr. HOWARD:

For a copy of all papers, documents, memoranda and reports in the possession of the Department of Immigration or of any other department relating to the deportation from Canada in the month of January last of Robert Campbell, a native of Glasgow, Scotland, who had been living in Canada for the past four years, and also a copy of complaints and reports which actuated the minister in taking steps to bring about this deportation.

ANTAPA SHOOTING CLUB

Mr. WOODSWORTH:

For a copy of the lease granted by the Department of Indian Affairs to the Antapa Shooting Club on the Pasqua Indian reserve, together with a copy of all correspondence, telegrams, memoranda and other data, relative to the granting of this lease and to other applications for leases on the Pasqua reservation.

DAIRY PROMOTER, PICTOU COUNTY

Mr. URQUHART:

For a copy of all orders in council and correspondence since August 8, 1930, including letters, telegrams, memoranda, received or dispatched by the Minister of Agriculture or any other member of the government, or the Civil service Commission or any member or official thereof, or any member of parliament, or other person or persons, respecting the position of dairy promoter on the staff of the live stock branch, in Pictou county, Nova Scotia.

COMPENSATION FOR SLAUGHTERED ANIMALS

Mr. TETRAULT:

For a copy of all documents, letters and correspondence, in connection with indemnities to be paid by the federal government for slaughtered animals in the province of Quebec, under the system of reserved zones, since the establishment of said system; also a return showing the number and the average indemnity of the slaughtered animals by counties, and the average indemnity per head of cattle ranging from the age of one, two, three and over, for registered animals and cross-breeds.

Mr. WEIR (Melfort): With regard to this resolution, I am informed that it will take at least two or three stenographers from two to three months to prepare the information requested. I should like it to stand, and possibly the hon. gentleman may be satisfied with a little less information.

Mr. SPEAKER: Motion stands.

MAYFLOWER, N.S., POSTMASTERSHIP

Mr. POWER (for Mr. Ralston):

For a copy of all correspondence, reports, telegrams, petitions and other communications to or from the Postmaster General and any other ministers, minister, or official of the government, and to or from any member of parliament or other persons or person, with reference to the service or fitness or otherwise or relating in any way to the dismissal or proposed dismissal of Leo Thibeault, postmaster at Mayflower, Digby county, Nova Scotia.

Mr. SAUVE: The hon. member being away, I would ask that the motion stand.

Motion stands.

SOCIAL AND ECONOMIC RESEARCH

MOTION BY MR. SPEAKMAN PROPOSING ESTABLISHMENT OF NATIONAL COUNCIL TO STUDY SUBJECT

Mr. ALFRED SPEAKMAN (Red Deer) moved:

Whereas; the problem of production has been largely solved, assisted greatly by the application of scientific methods and the results of organized technical research; and

Whereas; the federal government has contributed to that end by the establishment of the National Council of Scientific Research, and by the financial assistance given to that body; and

Whereas; the problem of distribution, with the kindred questions of purchasing power and the exchange values of agricultural and other commodities, together with their relation to the growing problem of unemployment, are still unsolved, and demand immediate attention with systematized investigation and scientific study; and

Whereas; this can best be done at the instance of the state and by men of scientific training enabled to devote their entire time and energy to the study of this important subject;

Therefore be it resolved; that, in the opinion of this house, the government should give immediate consideration to the establishment and maintenance of some organized body for this purpose which body might be known as the National Council of Social and Economic Research.

He said: The motion which I am presenting to the house this afternoon, and which is largely self-explanatory in its preamble and general wording, is one which I believe to be most timely and important. It is one which follows in logical sequence upon the motion presented by the hon. member for North Winnipeg (Mr. Heaps) some few days ago and discussed at some length on last private members' day. The motion presented by that hon. gentleman dealt with certain suggestions for the palliation of unemployment, while the motion which I am submitting this afternoon suggests a means by which we may arrive at a better understanding of those conditions by which unemployment is brought about.

The subject of the motion itself has been touched upon in previous debates and by many speakers, and it is one which is so widespread in its implications, so far-reaching in its possible consequences, so essential in

its ultimate objective, as to demand on the part of every member of this house his most careful thought and his most intelligent consideration. In the preamble itself some very definite and rather sweeping statements are made, as, for example, where the statement appears that:

The problem of production has been largely solved.

That statement, I think, may be substantiated; it is a mere statement of fact. For over one hundred years now, ever since what has been termed the industrial revolution, the minds of our greatest thinkers, the profound research of our illustrious scientists, the invention and genius of our most skilful engineers, have been devoted largely to one end—the service of production. To that end many things have been done, many sacrifices have been made. Hardy adventurers have explored the far places of the globe in order to discover new sources of supply for the raw materials required by our manufacturers. Our miners have tunnelled the bowels of the earth in order to disclose and utilize earth's hidden riches, in the service of production. And to improve its methods the lights in our laboratories have burned day and night. The roaring din of our great factories shakes the earth, and the smoke from our tall chimneys pollutes the air. Governments, corporations and individuals have expended millions in an endeavour to glean from nature her secrets and to harness nature's forces in the service of man. And in the main these efforts of man have been successful. So that man to-day has triumphed in that age-old struggle, the struggle for existence, the struggle to glean from nature her great secrets and to wrest from her those things in and upon the earth, that are necessary for the maintenance of natural life and for the carrying-on of advancing civilization. While this is true in the case of industry, it is true also in the case of agriculture. During that century which has elapsed since the application of steam as a motive power to production, a new era has been inaugurated in the manufacturing world. We have mechanized many, if not most, of the processes hitherto carried on by hand labour. We have placed production on a world basis and, incidentally, we have met with certain difficulties in the way of the adjustment of employment in relation to wages and hours of labour. It is only of later years that the mechanization of agriculture itself has been accomplished. Agricultural production has never been controlled, nor can it be controlled, with the same mathematical certainty as can that of other industries; it must always be subject, I assume, to certain climatic conditions. But, Mr. Speaker, while it is not controllable to the same degree, the uncertainty of control has manifested itself rather in periodic overproduction of certain commodities than it has in any definite shortage of supply. And where a shortage of supply has occurred temporarily, it has been brought about more largely by uncertainty of a profitable market than by any difficulty in production itself. I think, therefore, that it can be said without exaggeration that to-day we may produce everything that is necessary for the material needs of all mankind, and that we can produce it in sufficient quantities to satisfy the requirements of all our people.

When we turn to the fields of transportation and communication, which are intimately connected, we find that the same progress has been made. We have covered the earth and conquered the sea and the air with a network of transportation lines by which we are enabled to carry the products which we have brought into being and place them wherever they may be required. No one who has stood and watched a great transcontinental silk train go thundering by but must have been impressed with the efficiency of that transportation system. The wheat from the prairies is carried without difficulty to every part of the occidental world, wherever a market may be found; the oil from Pennsylvania and Asia Minor, the cotton from the southern states or from Egypt, the rubber from the South American forests, wool from Australia, and thousands of other commodities find their way by means of efficient transportation systems to every part of the civilized world and take their places in what we term as our economic and industrial system. This system is daily increasing the mutual interdependence of all nations and is extending more and more towards the making of all nations into one great economic unit.

In communication we have made even greater strides, quite apart from our modern postal system which follows every line of transportation throughout the world, by earth, by water and by sea. Apart from that, which in itself is a modern miracle, we may to-day converse with ease and comfort with our neighbour one mile or a thousand miles away. This is possible by means of a slender wire, which carries the spoken word and by the use of a similar wire, used in a different manner, we may flash important messages across the continent and under the oceans. By virtue of wireless, a man may speak in one part

of the world and be heard simultaneously by millions in other countries. A recent illustration was the Pope speaking in the ancient Vatican and ten million sons and daughters of the church throughout the world bowing their heads as they heard his benediction. We were able to hear the Prince of Wales as he presided over the launching of a great ship in Scotland. His words were carried throughout the empire and the splash of that great ship as it entered the Clyde was re-echoed around the world.

In other ways and in other directions, man has triumphed over the material and has been able to utilize those forces of nature in his service which have hitherto been uncontrolled. In looking upon these facts and knowing them to be true, one would almost imagine that the millennium had arrived and that nowhere in this world, and certainly nowhere in this country, could be found any want or any privation, could be found a single hungry adult or a single undernourished child. One would have thought that want and privation had been banished for all time, but what are the facts? In support of my statement, if support is needed, as to the wealth of the world and as to its accessibility, I might quote one or two sentences from no less a person than Sir George Paish, a man of outstanding merit. Speaking before the Canadian Club in Montreal on April 13, he made use of the following words:

> The natural wealth of the world is so great that it can maintain an unlimited number of people. There is no reason for poverty or distress. We should produce the fruits of the earth for the use of all mankind and take them out of their distress.

And again:

> We should use the wealth of the world for the good of all mankind. When we do this we can look forward not only to the prosperity of this great continent, not only to the prosperity of Europe, but to the prosperity of those great and heavily populated countries of the east.

What are the facts? I am not going to inflict upon the house any description of conditions as they exist. I believe that to be totally unnecessary because almost every hon. member who has addressed this house since the beginning of the session has stressed those conditions, has described them, and has outlined them in detail. While there may be some difference of opinion in this chamber as to the depth of the depression or as to the extent and the degree of the suffering which accompanies it, while some harsh expressions may have been used in respect of those who have held different opinions as to these matters, I assume that we are as one in our appreciation of the fact that things are not as we would wish them to be and in our desire that a remedy should be found and that better conditions should be established. If there is one hon. member of the house or of the government who does not appreciate the fact that things are not as they should be, then it is useless for me to address my remarks to him because it is obvious that no words of mine would serve to convince him or to remove the scales from his eyes. But I shall go upon the assumption, Mr. Speaker, that these facts are admitted, that they are deplored and that we as a body and as individual members of this house are desirous of seeing these conditions improved. The question is: How shall we best go about it?

In asking that question, I ask a question which was indicated by the Prime Minister (Mr. Bennett) some little time ago, and which was summarized in an article in the Winnipeg Tribune, as follows:

> Bennett Seeks Actual Cause of Depression
> Is Sure Riddle Can Be Solved and Advises Cheerful Attitude
>
> "I cannot make up my mind," he said, "why this country between the lakes and the mountains should experience the depression; why people who have lived here for years should find themselves without any accumulation of goods, sometimes without the bare necessities of life."
>
> Mr. Bennett said he had no fixed idea as to the answer to the questions which came to his mind but was determined to find it.

We are all anxious to find the answer to that question, and I suggest one method among others, which might be used in order to arrive at that understanding. It may be suggested that we have in this country many theorists who are advancing theories which in their opinion would if applied act as a universal cure-all or would remedy these conditions at one stroke, and thus bring about the millennium which we all seek. I have no criticism to offer as to these theorists, as a matter of fact, Mr. Speaker, I hold a number of theories myself but I do not intend to inflict them upon the house at this time. I think the position taken by these theorists would remind us of a person spoken of in Grecian legend. This man possessed some very disagreeable habits but was of a hospitable frame of mind, and his desire was that any traveller passing by his abode should stay with him for the night. He had only one bed but it was his proud boast that this bed would fit exactly any traveller, however short or however tall. This he accomplished by the simple process of chopping the head or the feet off the traveller who might happen to be too tall, or by stretching upon the rack the unfortunate who happened to be too

short, and in that way all were made to fit his bed. I am afraid that that legend might be applied to some of our theorists. If their theories will not fit the facts, they are prepared to stretch the facts in order that they may fit the theories. In my opinion, and I offer it only for what it is worth, the remedy will not be found nor will a better understanding of conditions be brought about by men or women of that type of mind. I think useful suggestions could be found in many of these theories, but in my opinion this remedy will be found and this problem solved by men and women of the same types of mind as those who have solved our technical problems, men with scientific minds and possessing scientific training and men and women who are prepared to investigate all conditions, to accept all proved facts, to correlate those facts and, of equal importance, to have the courage to accept the logical conclusions of their research. I stress the necessity of courage because we find in too many cases men in public life and men in private life who will follow the truth to a certain point, but when the result of that truth comes into conflict with prejudices, preconceived opinions and ideas, they will stop right there. The truth in their mind is important, but not so important as the maintenance of their own prejudices and preconceived opinions. That frame of mind will never solve our problems.

How shall we secure the services of men of the type required, many of whom must be found throughout the Dominion and some of whom may be found in this parliament? I can only offer a suggestion without being dogmatic, but in the first place I suggest we can do this work by appointing such a council. The method of appointing that council I shall discuss later. In the second place—and this is of more importance at the moment—in the appointment of those men and in furnishing them with the opportunity of going into this matter as it should be gone into, the state should assume some responsibility. Why do I say that? As I have indicated, this parliament and government have given financial support to the problem of scientific and technical research. They have supported and maintained for that purpose a council composed of eminent men who have done excellent service. I am not decrying the work done by those men; it has been splendid. I am not criticizing the expenditure made; it is perhaps the best used money that we have ever voted, and I would be glad to see more voted for the purpose. But quite apart from the relative importance and urgency of those two kinds of research, the research along the lines of technical science and the research along the lines of social and economic reform of which I am now speaking, I think we can logically assume it is far more a function of the state to support and assist the latter form than the former. In voting the money we do for technical research, we are but supplementing the work which is being done and well done by industry itself, by organizations and individuals engaged in industry. The reason for this of course is obvious. While the result of that research is in many cases increased services and benefit to the people as a whole, the primary object, the primary result in most cases, that is as it affects industry, is increased dividends and greater wealth to men already wealthy, and naturally they assume the work as a function of their own. But when we turn to the form of research which I am suggesting, we find that the only possible beneficiary is the state itself. The people, the men and women who may benefit by the result, are those who are to-day suffering from the inequalities of our present system or lack of system. That being the case, those who will benefit, the great masses of the population, are the ones who should maintain and carry on that work. They cannot do this as individuals; it must be done as a function of the state. It is important to remember that while we sometimes speak of parliament as representing the people, and of governments as governing or acting for the people, after all parliament and government are, rightly speaking, the people themselves functioning cooperatively in that way, doing cooperatively what they cannot do as individuals. I suggest, then, that the people themselves, who will be the beneficiaries, should be the people who, functioning as a state, should carry on and finance this work.

Going one step further, and assuming that the work is necessary and that the state should do it, what methods should they adopt and what should be their objective? If I have time I intend to deal a little later on with one or two specific objectives; but at the moment may I say this; so far as I can gather and so far as the facts themselves would show, almost every industry to-day, including transportation, is functioning most efficiently as a unit. Each separate unit, wherever you find it, is functioning efficiently and doing its work well. But what we lack to-day and what we have lacked ever since this system came into force has been some method of coordinating the work of those different units. We have never been able to bring about cooperation, coordination, between the different

units which function so effectively within this nation in order that as a whole the nation itself may be best served. That in a word would be the chief objective of such a council as I suggest.

When we come to the form of council, again I do not propose to be dogmatic in the matter, but I have some opinions of my own and those have been supplemented by many suggestions that I have received from this country and others. One of the most encouraging features of the situation and one that gives me greater heart in bringing up this topic to-day is the number of messages of approval and support that I have received, messages bringing with them information and suggested ideas, sometimes from the most unexpected sources, not only in this country and the republic to the south, but in one or two countries over the seas. From these suggestions added to my opinions, I can bring forward one or two ideas in the matter. It has been suggested—and this is my own thought—we might have such a national council composed of individuals nominated from each of the great classes which form our Dominion. We could have a man representing agriculture. I am using the word "man" as including woman in the sense of the expression "man embraces woman". We could have another man representing labour, another representing the manufacturers' association, another, the transportation system, another, the bankers' association, all of those different organizations which together function as modern society. That council could then control and direct the work, point out the direction along which investigation should be carried, suggest the ideas and the general policy. They might employ a small number—a large number would not be necessary—of trained workers to carry on the actual work, and they might utilize to as great a degree as possible that splendid and efficient organization which we now have under the direction of Mr. Coats, the Dominion statistician. We would find there and we shall find too, padlocked, pigeon-holed, segregated all over the country, an enormous mass of information vital to our point, information which has never been used, which has never been correlated, and, because of that, which has never been of any great value to the country. Such a council, functioning as I suggest, might by the use of a few trained workers, by the utilization of existing bureaus such as the Bureau of Statistics, not only amass a great deal of useful information, but correlate it, find out exactly what relation each function bears to another, and come to some definite conclusions.

It has been suggested that such a council itself might do that work, and that might be done. As I say again, I am not dogmatic. Something along that line, although it conflicts in no way with my former suggestion, was brought forward recently by that very useful body in conference, the Canadian Council on Child and Family Welfare, representative of all social organizations in Canada, a conference perhaps as closely in touch with our social problems as any other in this country and as well fitted to make suggestions as any I can find. They urge upon the government to appoint some permanent national committee which would make investigation of all these things, which, to use their own words, would function—

> —with the purpose of pooling the best knowledge of governments, industrial, agricultural, and financial interests, social and health agencies, in evolving a more stabilized system of production and distribution and of supply and demand.

I am glad to be supported in my contention by a body of that character. The council could work in that way. It has been suggested too that the functions and powers of the present National Research Council might be enlarged and strengthened to enable that body to deal with the work. While, of course, I would accept any step as being preferable to inertia, at the same time there are some serious objections to the latter suggestion. While not for a moment decrying the good work done by the National Research Council; while appreciating the value of that work and the character of the men composing the council, I suggest that human nature has not greatly changed since biblical times when it was said that no man can serve two masters but will hold to the one and despise the other. I am afraid that such a body, accustomed for years by custom, training and habits to follow along the lines of research, would subordinate the one to the other, and in this case I am afraid the newer interest would be the one subordinated.

Again may I say however, that I am not dogmatic. I hope some step will be taken with a view to amassing information that will lead to some definite conclusion. I have been asked "What could this body do? What line of investigation could it follow?" There again not only do I wish to refrain from dogmatism but I realize that in offering substantial suggestions one is in greater danger of narrowing than of widening the scope of

investigation. Too often when specific suggestions are made they alone are followed. I might suggest, however, tentatively, some items from the long list of suggestions I have received. Among the number are the following:

Comparative production costs in respect of industry and agriculture.

Sources and extent of credit. Interest rates cost and extent of floating and bonded indebtedness, and its effect upon agriculture and industry in general.

Purchasing power, sources and distribution.

Displacement of man power by machinery in the various industries, including agriculture.

Extent of spread as between producer and consumer. How brought about. Advertising, including salesmanship, duplication of service. Transportation in its various stages.

Fluctuation in price levels both actual and relative.

Relative importance of, and returns made to capital, management, labour, in industry.

Stabilization and control of production, and relation of these to cyclical periods of depression.

Hours of labour and wages paid, in relation to production and purchasing power.

Concentration of financial control and production, chain store developments, retail credit and instalment buying, and their relation to prices and to cost of distribution.

Further than that there is a necessity for the securing of authentic information regarding such great world experiments as that being carried on in Russia to-day. Perhaps that is the greatest experiment in centralized control we have yet seen, and in some respects it follows in logical sequence the policy of centralization to which effect is being given in all countries. We cannot ignore what is taking place in Russia. To close our eyes to the developments in other lands, whether we like the morals of other peoples or not, is to blind ourselves to facts and to paralyze ourselves in respect to future action.

As my time is rapidly passing I wish for a moment or two to deal with some of the chief objections and difficulties which have suggested themselves to me and have been brought to my attention. First it has been suggested, with a good deal of propriety, that most of our difficulties are a reflex of world conditions and that therefore being international in scope they cannot be dealt with by any one national body. While it is obvious that world conditions have largely affected the state of affairs in Canada, it is also obvious that there is some action which may be taken here. I think it was the Prime Minister who said during the election campaign, or at some other time—I am not particular when—that irrespective of world conditions there was no reason why Canada to-day, with her sparse population and her enormous wealth in natural resources, should be suffering to any great extent. I agree with him. The extent of our possibilities can be ascertained only by some method such as I have suggested. Moreover, if international action is to be taken it must be based finally upon a knowledge of conditions as they exist within each country. I think the true conditions in our country could be ascertained by a body such as I have suggested. In order effectively to carry on the international co-operation which is desirable we must have some machinery for that purpose and some body to represent Canada in an international body. Again I point to the fact that some such suggestion as I have made is necessary for a solution of our economic problem.

The next question is one which I approach with some hesitation, but it has been brought to my attention by so many people that it cannot be ignored. Suggestion has been made that politics would intervene and destroy any action which might be taken. To keep politics of some kind out of action based upon such a suggestion would obviously be difficult. While the result of technical research may be put into effect by industry, by corporations and by individuals motivated only by business considerations and prepared to accept improvements in methods no matter how they may conflict with prejudices or present habits, and anxious to use only those methods which have proved to be effective and from which the greatest profits may be derived, it is obvious that work along the lines of social and economic research may involve state action. To suggest that politics would prove to be an insuperable obstacle and must of necessity nullify, blight and destroy every beneficial objective which is had in view would be a tremendous indictment of our political system. I am prepared to accept that suggestion. I have not had much experience in public life, but at least I have been in it for ten years. While in that ten years I have learned enough about the party system to dislike it even more than I did, at the same time I have come to appreciate the fact that the overwhelming majority of the individual members composing every party are just as honest and sincere in their desire to do the right thing for this country as I myself could possibly be or any

other person in any part of Canada. That being so, I cannot for one moment believe that men of that type would permit politics, in the worst sense of the term, to stand in the way of the progress of this country or the solution of its problems. I appreciate of course that if a beneficial policy were outlined by such a body as I have suggested, some political party might try to grab it. Particularly would they do so if the party happened to be in opposition at the time. Of course that possibility might apply to any party because I do not know which one would be in opposition at such a time. The policy I have outlined might be used as a plank in a political platform and as an election issue. To allow our fears of such political action to stand in the way of an attempt to effect progress would be a far more serious indictment of our political system than any language uttered by myself or any of my colleagues could possibly convey. Such action would be the most damning indictment possible, and I refuse to believe that that condition would arise.

I have endeavoured briefly and superficially, realizing the limitation of time at my disposal, to show this house that in material things and in matters of production we have worked miracles. We have accomplished what at one time would have been considered the impossible. By utilizing all nature's forces, by the inventive work of our engineers and by the research of our scientists we have conquered industrial conditions to such an extent that we can produce everything the world requires in sufficiently large quantities to satisfy the needs of every one. We can place these commodities where they are required with speed and efficiency. What is left? I think of the words of Tennyson:

Knowledge comes, but wisdom lingers.

I suggest we should adopt some means of acquiring sufficient wisdom to use the knowledge we already have so that we may relieve the existing conditions and thereby make the world better. Wisdom has lingered; we hope it will not linger again.

I have tried to indicate the logical responsibility of the state to undertake the work I have outlined. It should function for and act for the good of all the people. I have indicated some lines upon which that action might be taken and suggested some inquiries which might be made. In doing that I have done all within my power at this time; I can simply leave the matter to the good judgment of the house. I have tried to present the matter as impartially and as thoroughly as possible. I feel sure that hon. members will weigh these matters in the balance of their own judgment, if they come to the conclusion that something may be done along the lines I have suggested to bring about the condition of affairs which should exist in this country and which we are all anxious to see, I shall expect their support. I leave the matter at this time in the hope that out of our united wisdom, and the sincerity by which from the bottom of my heart I believe we are all actuated, we will evolve some means of utilizing the knowledge thus obtained for the good of all mankind and in justification of our existence as a parliament.

[Mr. Speakman.]

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, this resolution simply broadens out a suggestion made some months ago to the government by the joint legislative committee of the Railway Transportation Brotherhoods. They were dealing particularly with the question of unemployment, but suggested that this question inevitably involved larger economic issues, and that these could be settled only by the application of scientific knowledge. They proposed that there should be a scientific analysis of the human factor in industry, and pointed out that by the employment of industrial technicians and otherwise efficiency had been increased, as my hon. friend has just pointed out—that in many industrial concerns, waste had been reduced and production greatly augmented. The regularization of employment, however, the human factor in industry, appeared to be a problem transcending the individual industry and rests upon industry as a whole. It seems to me that we are justified in urging the appointment of this commission, especially in view of what has transpired within the last few weeks. The members in this corner suggested that we should have a parliamentary committee to investigate the entire economic situation; the government could not see its way clear to adopt that suggestion; and now we fall back upon an even more important suggestion, one which we decided upon some months ago —that the time had come when a commission, entirely independent of parliament, should be appointed to investigate the entire economic situation as it exists to-day.

It does seem to me, in view of the world crisis with which we find ourselves faced, that we should exercise our brains more than we are doing. A great many people are apprehensive as to what the future may bring forth. Some are afraid that there may come an entire change in our whole economic system; some would welcome that change; some are afraid that a great change might involve economic

chaos with great suffering, such as has taken place in other countries. It does seem to me that in face of such a situation as this we ought not simply to be content to go along in our accustomed way, but rather that we should mobilize the very best brain power we have in this country and set our best men free to consider the question. It was only the other day that I submitted this proposal of the member for Red Deer (Mr. Speakman) to a group of business men in Montreal, and I was rather interested to observe their reactions. Most of them were heartily in favour of something of this kind. They went so far as to urge, as the member for Red Deer has suggested in his speech, that it might be well to have such a commission composed of representatives nominated by the great organizations that exist to-day, such as the Manufacturers' Association, the grain growers and so on; that in this way we would get the very best brains interested, the men who were in close contact with actual conditions; and, further, that by this method a certain measure of responsibility would be placed upon these men to think not in terms merely of their own individual interest, but in terms of the country at large; and still further, that the recommendations of a group so constituted would be of very great value to the government—indeed that no government would very well disregard the recommendations of a commission so constituted.

I find we are not suggesting something that is quite new. Outside the Soviet union, at least seven countries have something of this kind in operation, some organization that is attempting to direct the nation's industry, or its economic activities, on a nationwide scale —France, Germany, Great Britain, Italy, Spain, Czechoslovakia and Japan. In France there is a national economic council which dates from January, 1925. The French method is that of arranging the nation into three groups —consumers, labour and capital. The delegates to the council are selected from the most representative organizations in each of these three groups, such as the national federation of production, the chamber of commerce, the general confederation of labour and so on. The total number of delegates in the council is forty-seven. The representative organizations are designated by the Minister of Labour, but the nominations for places on the council are made by the organizations themselves. The French economic council meets four times a year and each session lasts ten days. Between these plenary meetings the business of the council is carried on by a standing committee of ten and by its permanent secretariat. The council also has a number of experts who are associated with its work on a permanent basis. The French economic council is essentially an advisory body to the Prime Minister. In its advisory capacity it deals primarily with economic measures which are under consideration by the legislature. Any bill introduced into the Chamber of Deputies which bears on an economic question must be transmitted to the council for examination. The council then submits its opinion to the Prime Minister, who has to make this opinion public. Further, it carries on special duties of a general and technical nature for the purpose of bringing to view the permanent interests of French national economy. Its main work, however, has been the making of a survey of French economic life and the mapping of a plan for the overhauling of the national economic equipment.

Now, let me turn for a moment to Germany and summarize the arrangement that exists there. The German economic council is also based upon the idea of the representation of all economic and social groups. It resembles more an economic parliament than an advisory body. Thus the German economic council is not attached to any branch or department of the government. The committees meet periodically, have permanent staffs for carrying on their work, and call on experts or representatives of different interests when necessary. The council has not considered large general schemes, but has helped in the solution of emergency problems which have followed one another in Germany since 1920.

Without going further into these experiments which have been conducted by other nations. I will call the attention of the house to a very interesting article published in the New Republic of Wednesday, April 29 of this year, entitled A. Federal Economic Council, by Lewis L. Lorwin. Mr. Lorwin pleads that in the United States there should be a federal economic council which would enable the American people to visualize their economic life as one vast enterprise. So much is this idea of centralized planning in the air that I find a conference is being called by the International Industrial Relations Association in Amsterdam in August of this year. I think I might read a paragraph from the announcement of this congress, which urges the need for scientific adjustment of economic resources, production and consumption as essential to satisfactory human relations and conditions in industry. The statement proceeds:

> There is an ever growing realization of the fact that industrial relations are profoundly disturbed because neither labour nor capital can fully function in a world of unadjusted resources, production and consumption. Unemployment to-day is wide-spread through the

world. Markets are restricted by lack of purchasing power. Productive capacity has been enhanced at an increasingly rapid rate by mechanization and the advance of technological invention. In a world of enlarged economic resources, groups in industry, whether conceived as employer—employee, labour—capital, producers—consumers, are prevented from functioning normally, that is, human relations in industry are not satisfactory. All groups concerned in economic life are therefore compelled to ask:

Can the methods of science be utilized to achieve balance between resources, production and consumption? Can science be substituted for casualism in the development of economic policy? How can sufficient information be placed at the disposal of those who must form economic policy in individual companies, in industries and in nations, so that they may know all the factors in the problem of adjusting resources, production and consumption?

I do not know that one could better put the problem than it has been put in this announcement. Now I should like to speak for a few minutes with regard to the country to which the hon. member for Red Deer (Mr. Speakman) has already referred, the one country in which central planning has been carried out on a large scale. I refer of course to Russia. There is such a wealth of literature on this subject that I hesitate even to attempt to summarize the experiments which have been carried on. In order to show that I am speaking with some authority, however, I might give a list of some of the leading treatises on Russia which recently have been issued. The New York Times book review of February 1 gives these books: The Economic Life of Soviet Russia, by Calvin B. Hoover; The Russian Experiment, by Arthur Feiler; The Challenge of Russia, by Sherwood Eddy; The Red Trade Menace, by H. R. Knickerbocker; Russia's Productive System, by Emile Burns; The Five-Year Plan of the Soviet Union, by G. T. Grinko; These Russians, by William C. White.

There are other books of outstanding importance; among them are Humanity Uprooted, by Maurice Hindus; Russian Economic Development, by Maurice Dobb; The Economic Policy of Soviet Russia, by Paul Haensel; The Soviet Challenge to America, by George Counts; The Soviet Union Looks Ahead; Soviet Russia, by W. H. Chamberlin; The Soviets in World Affairs, by Louis Fischer; Seeing Red, by N. Farson.

I may say these books are in our parliamentary library and can be obtained readily by any hon. member. Just on the point we are discussing to-day I should like to quote a paragraph which I find in the report of the Institute of Politics issued in connection with its meeting last year at Williamstown, Massachusetts. This report contains an article by Harold Kellock on the Soviet five-year plan, and in the article Mr. Kellock says:

[Mr. Woodsworth.]

The object of state planning in the Soviet union is the achievement of a highly coordinated, highly balanced economy, with the incidental elimination of waste in the form of overproduction, duplication, etc. By this, I mean that the economic specialists of the state planning commission (Gosplan) attempt to assess for the coming year or for several years, economic and social needs, likewise to assess the national resources—actual and potential—to meet these needs—resources in investment capital, in working capital, in machinery, in man-power, in skilled labour and engineers, in transport motive power and national resources, in education and to strike a balance between the needs and the resources, stressing the development in lines where it is most needed.

In the deliberations of the state planning commission leading industrialists, engineers, labour representatives, responsible leaders in finance and banking, educators, trade executives and public executives make their contributions. The general layout of the country, with federal concentration of banking, transport and communications, with trade largely conducted under a federal chain-store system of cooperatives, and with industry coordinated in state trusts under a supreme economic council which acts as a sort of economic general staff, lends itself to this effort in planning.

It is not, it seems to me, a question of whether or not we like what is going on in Russia. The point is this: Russia to-day is conducting what is undoubtedly the greatest experiment that has been carried on in the history of mankind, an experiment in planned production and distribution. We may or may not want to follow Russia, but that is not the point; the point is that to a certain extent at least their experiment is a success. From the material standpoint there is not the slightest doubt that a very large measure of success already has attended their efforts. So if they are successful; if they are managing to do what the rest of the world is failing to do, undoubtedly it would be well for us to study their methods. Further, if they are successful in a competitive world they will force us to study their methods, as to-day we are being almost compelled to recognize the success which has attended them. I take it that after all the embargo which this country has placed upon certain products of Russia is an acknowledgment that Russian methods have been successful up to that point.

I should like to read just a few sentences from Mr. Sherwood Eddy's book. I quote from his book not that it is quite so authoritative on technical matters as some of the other books I have mentioned, but rather because Mr. Eddy is well known in America. For many years he was an international secretary of the Y.M.C.A., and he has been rather

a severe critic of the social side of Russian life. His words, therefore, may carry a little more weight than the words of others who might be thought more sympathetic. He says:

Russia is the only country which has the distinction of bringing its whole economy—industry, agriculture, and trade; production, consumption and distribution, under the purview of a single economic general staff. It is called the Gosplan, or state planning commission. This is neither an executive nor an administrative body, but furnishes the general strategy and plan for Russia's whole economic life. It somewhat resembles the allied general staff, or President Wilson's war industries board. There are some five hundred experts on the central staff, headed by a governing board of sixteen.

He goes on to tell something of the achievements of this plan:

Thus far the yearly goal of the plan (Gosplan) has not only been equalled but exceeded in most branches of industry, so that some of the goals set for 1933 had been surpassed by October, 1930. . . . Of some ten thousand engineers, technicians and skilled workers from foreign lands now working in Russia, nearly a thousand are from America, with a larger number from Germany.

Speaking of aviation he says:

Already Russia has twenty air lines covering sixteen thousand miles and annually carrying 11,476 passengers.

Speaking of coal he says:

The pre-war output of coal has already been doubled. Oil, electrification and agricultural engineering have more than fulfilled the requirements of the original plan and of the revised figures.

Again, he says:

A new chemical industry is being created.

Again:

Even this is being increased, so that at the close of the five-year period there will probably have been an expenditure of some $50,000,000,000. This means the staggering undertaking of setting aside half the national income for five years.

Or again:

Unemployment was reduced from 1,714,000 in 1929 and 1,080,000 early in 1930 until there was no registered unemployment at the end of 1930 but a real scarcity of labour in building, industry and agriculture. . . . The average working day will be 6·86 hours, or 3·03 hours shorter than in 1913.

Again:

Real wages are already 16 per cent above those of 1913, with additional benefits and social services amounting to 27·3 per cent of the total payroll, in reduced rents and prices, free vacations, medical service, etc.

Vacations on full pay ranged from twelve days to one month. Other compensation, insurance, social service, rent, heat, light and food at reduced prices amount to 37 per cent added to the workers' wages. Every man works four days out of five and has seventy rest days a year.

Social insurance legislation is more beneficial to the workers in Russia in many respects than in any other country. Already more than nine-tenths of the wage workers are insured . . . . the workers are not asked to contribute anything.

And so on. I have given these figures and these statements simply to call attention to the remarkable achievements that has come largely because of this central planning which is being carried out by the Soviet government

I recognize that there is a vast difference between a central or economic planning commission such as might be established here in Canada, under the existing capitalist system, and that which exists in Russia under an acknowledged socialist system, or what is an approach to such. I know the two are very different. But we are told again and again that we do not want in this country anything of the terrible upset which they have had in Russia—that in this country we ought to bring about our reforms by means of a gradual change. We are told that in this country we ought to adopt evolutionary rather than revolutionary methods. I am quite willing to admit that it is highly desirable that we should avoid the terrible hardships through which Russia has passed. But I urge that unless we begin making changes, then undoubtedly we shall have such a catastrophe. I think we have reached that point. As a rather prominent editor of the west said the other day, when it was being urged that we should have very gradual and evolutionary changes, "you don't bring on an explosion gradually." There is a good deal in that. An explosion comes suddenly, and an explosion comes because there are pent-up forces that can no longer be retained. These great revolutions that have come in the history of the world have come because governments have been too slow in making necessary adjustments.

I am supporting this motion to-day with the thought that we ought to give every possible opportunity to those who would bring about the necessary changes in an orderly fashion. Whether it is possible that the government will accede, I do not know; whether it is possible that the general public will be willing to make the necessary sacrifices, I do not know. But those of us who would like to have a peaceful transition to a new social order are under obligation to do our best to bring about that change by peaceful

methods, and this is one method which I venture to advocate.

Although a great many people in this country seem to regard our present economic system as being the norm, and one that is bound to endure, I would point out that it is after all very recent in the history of the world. It is only a hundred and fifty years ago since there occurred what the historians call the industrial revolution; men gave up working with their own hands and their simple tools and flocked into the newly-established factories. That change, I submit, has meant an entire alteration in our whole manner of living; and it is only after a hundred years or more that we are beginning to feel the full effect of the change in our mode of production. For a long time it was considered by a great many of the leading economists, such as Adam Smith, John Stuart Mill, and others of their school, that this system was one which was going to bring about the millenium. The idea was this: just let us have individual competition and by some means or other all will be well. In fact, the teachings underlying that school became the basis of the platforms and policies of the great Liberal party in England. We were told that the best results could be obtained by laissez faire, so far as government was concerned. Let each individual go his own way, and, in the keen competition that would result, the weaker industry would go down, the stronger would prevail, and out of all the chaos there would come the best results for the world at large. Well, there has been in the past an enormous amount of waste through this method; there has been an enormous amount of inefficiency. But most of us have been willing to wait; we have said, "Ultimately good will result." I fancy, however, that we have almost reached the stage where the world cannot afford to wait very much longer. This system of unregulated competition is breaking down before our very eyes. Not only in our own country, but in almost every other country in the world we have vast armies of unemployed men and women almost on the verge of starvation, while at the same time the nations are rolling in wealth. Under these circumstances, does anyone say that the system is not breaking down? When we have one country competing with another in such a fashion that it would seem as if only a great war could be again looked forward to as a means of solving international difficulties, can we say that the system is not breaking down? In almost every country to-day men are wondering what is going to happen. They are beginning to realize that the system can no longer continue, even though it worked for a time. And here I want to give credit to the capitalist system, it did work for a time. There is not the slighest doubt that, because of the concentration of power in the hands of a few, those who controlled factories and finance were placed in a position of tremendous influence. For a time it seemed as if the problems of production were going to be solved. And I think that to a large extent the problems of production have been solved. But there have arisen in more recent years other problems—the problems of distribution—and these are not solved. And it is in order that we may have an opportunity of solving problems of this kind that we would urge the setting up of some sort of economic commission.

The government is a conservative government; it is not committed to the idea of unregulated competition. The government, historically, belongs to that great party which has all along claimed that the state was supreme in matters of this kind. I cannot see why they would not be the first to admit the principle underlying the resolution and recognize that the state should come to the rescue and organize individual industries into a system. The trouble in the past has been, especially on this North American continent, that we have followed the ideal that the government should have very little to do with business, that business should go on in its own way except at such times as it comes asking special favours of the government. I submit that the time has come when we cannot afford to allow that idea to prevail; the government must be supreme not merely in those spheres which we may term political, but in the other spheres which we term economic.

Before resuming my seat, I should like to urge that this great country, Russia, to which I referred is to-day a constant challenge to the capitalistic countries of the world. Why should we be so much afraid of the experiments which are taking place in that country. If they are good, let us watch them closely and adopt that which is good, rejecting those things which we do not want in Canada. That great country of 160,000,000 people is capable of producing goods at a rate hitherto undreamed of in the history of mankind and it would seem to be absolute folly for us to adopt the ostrich-like attitude of simply sticking our heads in the sand and refusing to see what is taking place in the world around us. An economic planning commission such as has been suggested by the mover of this resolution is in line with the development of

industry the world over. Individual competition is giving place to competition of groups. We have to-day mergers, combines, trusts and international cartels, and individual competition is no longer practicable. No, we must have still further organization. The trouble to-day is that conflict is taking place between these great mergers, these great combines and these great international industries; we are faced with a warfare between the nations in the economic sphere. It is high time that we arrived at some sort of international understanding. Only thus can we solve our problems. As a preliminary step to this, we cannot do better than to have a sort of stock-taking within our own country, following that with a mobilization of all our resources to supply the needs of our people.

On motion of Mr. Stevens the house adjourned at 4.50 p.m.

Tuesday, May 5, 1931.

The house met at three o'clock.

BUSINESS OF THE HOUSE

GOVERNMENT BUSINESS TO HAVE PRECEDENCE ON WEDNESDAY

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I beg to give notice of the following motion:

That on Wednesday, the 6th of May next, and every Wednesday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all business except questions by members and notices of motions for production of papers.

SUMMERSIDE RAILWAY WHARF

Hon. H. A. STEWART (Minister of Public Works): Mr. Speaker, I desire to lay on the table copies of all correspondence relating to the contract for rebuilding the railway wharf at Summerside for which several members of the opposition have asked.

SELECT STANDING COMMITTEES

CHANGES IN PERSONNEL

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, as usual there have been some changes of names in the standing committees. Therefore I beg to move, seconded by Mr. Guthrie:

That the name of Mr. Stinson be substituted for that of Mr. Bowman on the select standing committee on miscellaneous private bills;

That the name of Mr. Bury be substituted for that of Mr. Anderson (Halton) on the select standing committee on standing orders;

That the name of Mr. McLure be substituted for that of Mr. Stewart (Lethbridge) on the select standing committee on printing;

That the name of Mr. Gagnon be substituted for that of Mr. Senn on the select standing committee on public accounts;

That the name of Mr. Bowman be substituted for that of Mr. Stinson on the select standing committee on mines, forests and waters;

That the name of Mr. Turnbull be substituted for that of Mr. Bury on the select standing committee on industrial and international relations;

That the name of Mr. Esling be substituted for that of Mr. Harris on the select standing committee on debates;

That the name of Mr. Buckley be substituted for that of Mr. Gershaw on the select standing committee on railways, canals and telegraph lines;

That the name of Mr. Neill be substituted for that of Mr. Thauvette on the select standing committee on marine and fisheries;

That the name of Mr. Thauvette be substituted for that of Mr. Neill on the select standing committee on the restaurant.

Motion agreed to.

PRINTING OF PARLIAMENT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That a message be sent to the Senate to acquaint their Honours that this house has substituted the name of Mr. McLure for that of Mr. Stewart (Lethbridge), to act on the part of the House of Commons as a member of the joint committee of both houses on printing.

And that the Clerk of the House do carry the said message to the Senate.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That a message be sent to the Senate to acquaint their Honours that this house has substituted the name of Mr. Thauvette for that of Mr. Neill, to act on the part of the House of Commons as a member of the joint committee of both houses on the restaurant.

And that the Clerk of the House do carry the said message to the Senate.

Motion agreed to.

RULES OF THE HOUSE

COMMITTEE TO CONSIDER PROCEDURE IN TAKING DIVISIONS

Right Hon. R. B. BENNETT (Prime Minister): Before submitting the motion to the house I should like to have it definitely determined who is going to act on the com-

mittee in order that I may make the appropriate motion. I understood that the right hon. leader of the opposition (Mr. Mackenzie King) and the mover of the motion, Mr. Bourassa, and one gentleman to his right, as well as myself, were to form the committee.. I thought it might possibly be more convenient if the right hon. leader of the opposition and myself were not on that committee. I would suggest that my friend to my left, the member for Argenteuil (Sir George Perley), who had to do with the rules when they were revised, and a gentleman to act for my right hon. friend, if he so desires, and the member for North Waterloo (Mr. Euler) who moved the subamendment, and Mr. Bourassa, and one other form the committee.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, as far as I am personally concerned, I shall be only too happy to have one of the hon. members on this side act in my place on the committee, and I shall be very glad if the member for North Waterloo (Mr. Euler) would take that place.

Mr. BENNETT: Then I will make the motion to-morrow.

BUSINESS OF THE HOUSE

INQUIRY AS TO PROBABLE DATE OF BUDGET AND FURTHER LEGISLATION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I do not wish to embarrass my right hon. friend by pressing him unduly in regard to questions, but I believe it would facilitate the progress of work in the house if the Prime Minister would indicate approximately the time at which he hopes it may be possible to bring down the budget, and also if he would indicate what other legislation, if any, is to be brought down at the present session.

Right Hon. R. B. BENNETT (Prime Minister): For reasons that I fancy the right hon. gentleman can well understand, in view of the disturbed character of the session thus far, I cannot answer the last question at the moment. So far as the budget is concerned, I cannot fix a date now, but I might emulate the example of my last predecessors and say, "It will be at a not distant date." I will try in the next few days to get on the order paper probably all the legislation there is to be.

[Mr. Bennett.]

IMPORTED VEGETABLES

VALUE FOR CUSTOMS DUTY FIXED BY ORDER IN COUNCIL

On the orders of the day:

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I should like to ask the acting Minister of National Revenue (Mr. Cahan) whether he is authorized to fix prices on imported vegetables for customs purposes by a general order in council, or whether in the case of each commodity a separate order is passed?

Hon. C. H. CAHAN (Acting Minister of National Revenue): Mr. Speaker, I think, speaking from memory, that in several cases a number of items were included in one order in council, and that in other cases special orders have been passed with regard to separate items. I can obtain the information in detail, if necessary, but an order of the house is outstanding on the motion of an hon. gentleman opposite, I think the hon. member for West Edmonton (Mr. Stewart), for the bringing down of all orders in council which have been passed to date.

Mr. EULER: May I ask also Mr. Speaker, whether when the order is passed the price is actually inserted in the order or whether the minister is merely given authority to fix the price, and it is left to his discretion as to what the price shall be. Further, I should like to ask whether the minister takes advice from the Department of Agriculture, we will say, with regard to the necessity for such an order, as has been done in the past?

Mr. CAHAN: Answering the last question first, I will say that, as far as my memory goes, the advice of the Minister of Agriculture has been taken in each case. As to the first question, I think the orders in council will speak for themselves when they are brought down.

DUMPING DUTY ON POTATOES

On the orders of the day:

Mr. A. E. MacLEAN (Prince): Continuing along the same line, perhaps the acting Minister of National Revenue will permit me to ask whether the dumping duty has been rescinded as far as potatoes are concerned?

Hon. C. H. CAHAN (Acting Minister of National Revenue): I understand that potatoes are now imported from the United States under the general tariff.

Mr. MacLEAN (Prince): The countervailing duty?

Some hon. MEMBERS: No.

Mr. R. W. GRAY (West Lambton): Under the subject of potatoes, may I ask the Acting Minister of National Revenue from whom the protests came as a result of which the order was cancelled? Was that done as a result of protests which were received from red-blooded potato growers in the United States or from whom did the protests come?

ROYAL GRAIN COMMISSION

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): May I ask the Prime Minister when we may expect the report of the Stamp commission to be tabled?

Right Hon. R. B. BENNETT (Prime Minister): Before the report is tabled it will be necessary for the proof to be read by Sir Josiah Stamp, but I am inclined to think that before that date. I may make a statement with respect to the findings which will cover perhaps half a column in Hansard. That would mean probably ten days would elapse before the report could be tabled.

CANADIAN PACIFIC RAILWAY

PROTESTS AGAINST CURTAILMENT OF TRAIN SERVICE BETWEEN HARDISTY AND CAMROSE

On the orders of the day:

Mr. W. T. LUCAS (Camrose): I desire to direct a question to the Minister of Railways based on very strong protests I have received from boards of trade and other bodies along the line of the Canadian Pacific railway from Hardisty to Camrose. The protest is in regard to the action of that company in arbitrarily cutting off the Hardisty local, so-called, which has served that district for over twenty-five years. I should like to ask the minister if there is anything he can do in this matter, either through his position as Minister of Railways or through the board of railway commissioners.

Hon. R. J. MANION (Minister of Railways and Canals): The hon. gentleman himself protested to me in this regard a few days ago, and I have had as well a number of protests such as he has had. I should like to point out that the Canadian Pacific Railway, like the Canadian National Railways, is making a good many restrictions in its service for economic reasons, because of the business depression. Both railways are making these restrictions for that reason, and I am receiving protests from all over the country particularly with regard to the Canadian National Railways, but occasionally with regard to the Canadian Pacific Railway, as in this case.

I may as well make this statement now: The only redress the people have is to appeal to the Board of Railway Commissioners. I have no control at all over either the Canadian National Railways or the Canadian Pacific Railway in regard to these restrictions of service. I made special inquiries of the Board of Railway Commissioners in regard to the matter, and they tell me that generally there is a notice posted by the railway company giving ten days notice as to the changes which are to be made. Then if the people wish to protest, as in the present case, if they take it up with the Board of Railway Commissioners the board immediately goes into the question and, if they think it is worth further consideration, they request the railway to hold up the change pending final determination.

They can do that at any time they choose, and if, following that investigation, they find that, in the interests of the public, the change should not be made, they can refuse to permit it.

I am sorry I cannot do anything in the matter. My hon. friend should direct the protests, as I have already directed them, to the Board of Railway Commissioners. The decision is entirely in their hands.

INQUIRY FOR RETURNS

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): May I ask whichever member of the cabinet represents the Minister of Fisheries if he would be kind enough to expedite the bringing down of a couple of returns which I asked for and which were ordered some weeks ago? The matters are simple; the information is in the department; they are non-political and non-contentious, and there is no reason why they should not be brought down.

Right Hon. R. B. BENNETT (Prime Minister): I desire to say that no acting Minister of Fisheries has been appointed, because the minister expected that his health would permit him to be back almost every day, but his physician has told him that he must leave town for a few days for the change, and we will ask someone to act as Minister of Fisheries and deal with these matters. These matters have not been dealt with because the minister expected to be able to return almost any day.

NATIONAL RAILWAYS AND SHIPPING

On the orders of the day:

Hon. W. D. EULER (North Waterloo): I would like to ask the Minister of Railways when we may expect the appointment of the parliamentary committee having to do with national railways and shipping.

Hon. R. J. MANION (Minister of Railways and Canals): I think that will be done in the very near future. I have been considering it; it is rather a complicated committee to appoint, but I think the appointment will be made shortly.

PRIVILEGE—MR. BEAUBIEN

On orders of the day:

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, I rise to a question of privilege. In the Montreal Daily Star of Saturday, May 2, an article appears attributing words to me which I never uttered. I intend to read it; it is very short:

Liberal Rebukes Others For Making Big Fuss

A. L. Beaubien (Liberal, Provencher): That doesn't make it right, Doctor Manion, but don't take such a holy attitude on your side. I think there is a whole lot of fuss being made about a teacup full of water; there is nothing to it at all. The contract is being done at what was the lowest tendered price. The government is losing nothing and the people of Canada are losing nothing. The only thing is that my hon. friend from Prince (Mr. MacLean)—I do not blame him for fighting for his friends—is a bit sore that his friend did not get it.

I never used that language. The only words I said in this connection, as appears at page 1211 of Hansard, were:

That does not make it right.

I just interjected that remark while the Minister of Railways was speaking. I am afraid the press correspondent for this journal still thinks Doctor Manion is a Liberal.

WORLD WHEAT CONFERENCE

INQUIRY AS TO APPOINTMENT OF REPRESENTATIVES OF CANADA

On the orders of the day:

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, in view of the importance of the forthcoming wheat conference to be held in London on the 18th of this month, I should like to ask the Prime Minister whether Canada's representatives have been appointed and, if so, whether he can give the information to the house.

Right Hon. R. B. BENNETT (Prime Minister): Canada's representative is the High Commissioner for Canada, and he has advisers in the person of Mr. Smith, who went to Rome, and Mr. Darby, who represents the non-pool wheat trade.

Hon. ERNEST LAPOINTE (Quebec East): In that connection, might I ask my right hon. friend if invitations to other countries to attend this conference are being issued or have been issued by Canada?

Mr. BENNETT: The parties attending the conference at Rome determined that they would have the meeting at London on May 18. One country was not represented at Rome, and to that country an invitation was sent. That country has concluded to send a representative to London. I refer to the United States of America.

Mr. EULER: An invitation from whom?

Mr. BENNETT: The invitation was sent by this Dominion, and an invitation was also extended by the High Commissioner to the American ambassador at London, after the High Commissioner cabled the Minister of External Affairs.

CANADIAN NATIONAL RAILWAYS

TAXATION OF PROPERTY IN NORTHERN ONTARIO FOR MUNICIPAL PURPOSES

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): I should like to ask the Minister of Railways and Canals if he will not tell the house the intended policy of his department in regard to the taxation of the Canadian National railway property in northern Ontario which, as he is well aware, is the only section of the system where such taxation does not exist.

Hon. R. J. MANION (Minister of Railways and Canals): The last part of the hon. gentleman's question is not correct; it is not the only part of the system which is not so taxed. There are some parts of the system pretty much all over Canada which are in the same position. However, the matter will have to be dealt with on the estimates, because naturally, in reply to a question raised on the orders of the day, we could not state a policy.

SUPPLY—AGRICULTURAL CONDITIONS

CONTINUATION OF DEBATE ON MOTION OF MINISTER OF FINANCE AND AMENDMENT OF MR. BROWN.

The house resumed from Tuesday, April 28, consideeration of the motion of Mr. Bennett for committee of supply, and the amendment thereto of Mr. Brown.

Mr. L. E. PARENT (Terrebonne) (Translation): Mr. Speaker, in resuming my remarks on the motion of the hon. member for Lisgar (Mr. Brown), with reference to agricultural conditions throughout the country, may I point out that previous speakers have almost all laid stress on the conditions prevailing in western Canada. At the outset of my remarks, the other day, I stated that agricultural industry is an important factor in certain sections of Canada, namely Ontario and Quebec, and that it calls for the consideration of this government which seems, on the contrary, to look upon farming as a trifling matter. My statement is based on the silence of hon. members on your right, Sir, and their refusal to state to the house the policy which the government intend to follow as regards agriculture and which, we on this side of the house, are entitled to expect and know so as to carry on this debate with an adequate knowledge of the facts.

The opposition and the Canadian people, however, have in vain tried to get the Prime Minister (Mr. Bennett) to make that statement. We have therefore, sir, a perfect right to surmise and form an opinion based on the speeches delivered in public by certain cabinet ministers, since they have assumed office. It further give us the right and the opportunity to criticize the present government's attitude, in the hope that they will break silence and make a clear-cut statement which is anxiously awaited by the Canadian people.

In support of my contentions, I have already pointed out to this house the fact that certain hon. cabinet ministers, representing agricultural ridings, never mentioned in their speeches, a single measure bearing on the welfare of the farming community. I shall add that this aloofness towards the farming class seems to be reflected in a speech delivered by the hon. Postmaster General (Mr. Sauvé) who represents the agricultural riding of Laval-Two Mountains. Let me quote extracts from that speech in support of my contention. The newspaper "La Presse" on march 24, 1931, reports that the hon. Postmaster, after having according to custom, highly complimented the ladies, after having commented at length on the part which women play in society, home education of youth and the sound motherly advices which make for happiness and wisdom; after dealing with certain economical questions of ours and explained his opposition to women suffrage when he was leader of the opposition in Quebec, after having narrated historical facts; after having expressed the wish of speaking of the seventeenth century, of Madame de Sévigné and Madame de Maintenon, quoted the works of Rivarol and Voltaire; the speaker broached the political situation of this country. The hon. Postmaster advised economy at home, he stated that the cost of living must be reduced so as to produce cheaper, and he then proved his trust in the Conservative government.

An evidence of trust. Already the economic benefits of the numerous measures enacted have made themselves felt, not only in the return of general confidence and the resuming of work by the unemployed, but also in the growing stability of industries.

This is shown by statistics. Out of 441 companies operating public utilities or industries, 44 only have discontinued or reduced their dividends, and 397 have distributed the same dividends as in 1929, which was a record year. This, I think, is a magnificent attestation of the results attained in less than six months and due, greatly, the the energetic and farsighted policy of the government which has brought back national confidence, strengthened our industries, created work, opened markets and maintained in the path of economic stability the whole of Canada.

The speaker goes on:

To carry on the slow work of economic recovery in Canada, the government has closed the doors to all attempt of flooding the country by dumping competitive goods.

The hon. Postmaster General, sir, alluded to protection, which I look upon as exaggerated, granted to certain industries. However, is it not astonishing that the hon. Postmaster General who, it is stated, mentioned and repeated to his constituents during the elections that, if elected, he would be appointed minister of agriculture, yet, he has chosen to be Postmaster General?

Mr. SAUVE (Translation): I rise to a point of order. I wish to be indulgent for my neighbour from Terrebonne, but I must declare that I never made the statement which he attributes to me. I have better breeding than that.

Mr. PARENT (Translation): In answer to the hon. Postmaster General, may I say that I pointed out in my speech that this had been reported.

It is amazing how soon the hon. Postmaster General forgot the farmers, and allowed the Canadian market to be flooded with 2,000,000 pounds of Australian butter in the course of the last five months, when he so strongly criticized, during the election, that policy which permitted butter imports from New Zealand.

The quantities of butter imported, sir, within the last five months were out of proportion with the requirements of our population, and the government, to a degree, is responsible if, to-day, the farmers sell their butter at half-

price and at about the cost of production. This is a striking proof of the irrational and inconsistent policy of the Conservatives in their campaign of disparagement of the Liberal administration, when butter brought the farmers almost double of what they are receiving to-day.

Any one, sir, who glances over the speech of the hon. Postmaster General, will note that no mention is made of any measure which might give the farmers of Quebec or those of other parts of Canada some hope. No, there is no mention of such a measure in his whole speech.

I wonder what the farmers of Laval-Two Mountains and of Quebec will think of the statement made by a member of the Bennett cabinet, that everything done heretofore by the government to inspire national confidence, has been done for the benefit of companies which pay record dividends to their shareholders, when, on the other hand, the farmers must sell all their products at wretched prices, ever since the last elections, and have no share in those record dividends. I lay stress on the word "record."

Indeed, the work of economic recovery will be very slow in the agricultural sphere as I have just pointed out to the house, and these conditions will exist as long as the government shows indifference and is neglectful of the interests of the farming community. The cost of living is reduced at the expense of the farmers. The speech from which I have just quoted extracts, as well as present conditions go to prove my contentions.

These good Conservatives, now in office, do quite the contrary to what they promised before the elections. Let us see what the right hon. Prime Minister (Mr. Bennett) stated on June 13, at Calgary, as reported in the Calgary Herald:

> In my opinion the basic industry is agriculture. Agriculture has been the basis of this country's prosperity.

At Ormstown, on June 30, as reported by the Morning Citizen of Ottawa, Mr. Bennett, among other things, stated:

> Agriculture stood first in Canadian development. We must supply the same advantages to agriculture as to other activities.
>
> "We conservatives are pledged to see that agriculture receives the same benefits as in days gone by." Distribution and marketing were essential factors in assisting agriculture.

These statements are clear and very explicit. Yet, had the present government an end in view when they allowed, last March, 800,000 pounds of foreign butter to enter the country, which resulted in upsetting the market?

If the right hon. Prime Minister was in earnest—and I wish to give him the credit for being so—in stating that agriculture is the basic industry of the country, that it has always been the foundation of Canada's prosperity, that it should be fostered and given the same advantages as other industries and that he pledged himself to develop this industry, why then does the government enact a high tariff—an exaggerated protection—by which only the large overcapitalized companies profit, allowing them to pay record dividends to their shareholders, as was stated by his colleague the hon. Postmaster General (Mr. Sauvé)? Why did not this minister use his influence with his other colleagues in order that the farmers, who are in majority in his county, be given by the government the consideration to which they are entitled, and thereby also draw, indirectly, dividends or profits from the sale of their products?

Another pledge was made to the electorate, previous to the elections, by the right hon. Prime Minister, on June 9, at Winnipeg, as reported by the Montreal Star:

> We pledge ourselves to foster and develop agriculture, and the live stock and dairy industries, now so sadly neglected.

I draw your attention, sir, to the words "so neglected" and I think I have established by facts and authentic statements, what irony is shown by the words "so neglected" in speaking of agriculture under the Liberal regime. It behooves the farmers of Canada to think and judge whether it is not the Conservatives who, to-day, must be charged with negligence towards the farming community. The facts are there as evidence. Moreover, the action of the right hon. Prime Minister, when he refused to wait more than two minutes for the delegates of the farming classes, who came here to submit their grievances and claims before the tariff board, show pretty well his indifference towards the farming community.

There is another statement of the right hon. Prime Minister which also deserves to be pointed out to the Canadian people, and that is the one he made on June 17, at Saskatoon, as reported in the Star Phoenix. I shall give the text itself, and shall close my remarks by reverting to English as the quotations which I have yet to make are couched in that language.

> There is only one way we can get the moneys of England for Canadian wheat rather than Russia and the Argentine, and how is that?

I would direct the attention of the house to the concluding words:

> By providing our wheat cheaper than the others.

One can see in the inertness of the present government a possible reason; by not enacting any measures to help agriculture. Another

reason may be seen in the exaggerated policies of high protective tariffs where help is being given only to manufacturers and supercapitalized companies. No appropriation, either directly or indirectly, has been made out of the $20,000,000 voted for unemployment relief to help the western grain growers and the farmers of the country as a whole. The hon. member for Laval-Two Mountains (Mr. Sauvé) has declared that in order to create faith this government has enacted measures to help industries to pay record dividends. However, he made no mention of a declaration of policy which would benefit the farmers. This is borne out by the declaration made by the right hon. Prime Minister at Saskatoon on June 19.

The agriculturists of Canada cannot but believe that the policy of this government is to drive the price of agricultural products to the bottom of the well which action would be prejudicial to the welfare of the country as a whole. The government's policy seems to be to reduce the cost of food products. This casts a burden upon the agriculturists while the manufacturers are being benefited by high protection.

These are the conditions faced by the Canadian people, and the agriculturists as a group are rising to condemn this government. The farmers of this country are still somewhat tickled at the report which appeared in the newspapers some time ago as to how valuable was the time of the Prime Minister. It was claimed that he did not have the necessary assistance with which to carry on his duties and had only two minutes of time to give to the farmer representatives who appeared before the tariff commissioner.

Another declaration or promise was made by the right hon. the Prime Minister at Winnipeg on June 9, as follows;

> Listen, you agriculturists from the west and all the other parts of Canada, you say tariffs are only for the manufacturers. I will make them fight for you as well. I will use them to blast a way into the markets that have been closed to you.

This house and the Canadian people are interested in knowing how a way has been blasted into new markets to permit the sale of farm products. How has this been accomplished since the new administration came into office?

I would like to quote a few figures which appeared in the summary of Canadian trade. The exports of farm products to the United States were as follows:

	1930	1931	Decrease
Farm products	$1,977,000	$ 752,583	55 per cent

The exports of farm products to other markets of the world were as follows:

	1930	1931	Decrease
January	$27,000,000	$18,000,000	35 per cent
February	27,138,000	18,600,000	35 per cent
March	36,100,000	21,800,000	35 per cent

These figures show the difference between the thoughtful and business-like Liberal administration, and that of the Conservative administration with its policy of blasting its way into the world's markets. The Conservatives, when elected, were to put new life into agriculture, but instead of doing so they have let it die. I have no hesitation in saying that the agriculturists of this country have been humbugged with promises and a castle of cards put up in order to secure votes for an election, but that castle of cards has since collapsed

While everyone recognizes the fact that agriculture is the basic industry and while all the provincial governments—and I mention Quebec, for instance—are giving keen attention to agriculture, the present federal government, since it has taken office, has failed to fulfil its promises and has given no attention to agriculture, so that it has lost the faith of the agriculturist group and deserves the condemnation of this group and of the Canadian community as a whole.

Mr. THOMAS McMILLAN (South Huron): In rising to address the house upon the question now before it, I am sorry indeed that the Prime Minister (Mr. Bennett) is not in his seat. Allow me, however, to read the words of the amendment; which is as follows:

> That all the words after the word "that" to the end of the question be left out and the following words be inserted instead thereof:

1. The house regrets that the administration has failed to implement its definite promises with respect to agriculture and to this moment it has failed to announce any agriculture policy to this house.

2. That the policies of the present administration operate to restrict, rather than to expand Canadian trade.

3. That without the development of international trade Canadian agriculture will become increasingly paralyzed.

And further, in the opinion of the house, any policy with respect to agriculture should include emergency measures to meet the present agricultural crisis and adequate provision for the processing of meats and the marketing of live stock, wheat, dairy and of all other agricultural products.

What are the government's definite promises to Canadian agriculture? These are the Prime Minister's own words:

I shall regard it as my great responsibility, if elected on July 28, 1930, to see that the collective weight and power of the Dominion of Canada is placed behind agriculture. I would be lacking in qualifications entitling me to head a Canadian government if I failed to do so.

That is his pledge to Canadian agriculture. What have the Prime Minister and his government done to implement that pledge? I am not going to repeat the words that I uttered to the house on March 17 last, but I would like the house and the country to read those remarks in unison with what I am about to say. I then showed how, after the Imperial economic conference, the Prime Minister became wildy uproarious and left Britain with a veiled threat of economic separatism because a British minister, Mr. Thomas, mildly designated his whole proceeding as "humbug." In that respect I would like to place on Hansard this extract from the British Morning Express:

Mr. Bennett must be very simply constituted—

I do not think this means that the right hon. gentleman is simple minded.

—says the News Chronicle, if he imagines that any intelligent Englishman would be deluded by the proposal that we should tax our food in return for Canada's generosity in putting another brick on her tariff wall against foreign imports and keeping the wall at the same effective height against British goods. If that proposal is not humbug, what is it? The Dominion premiers like to claim the right to "speak plainly" and like to exercise it. They should be able to keep a stiff upper lip when an English statesman for once in a way speaks plainly too.

What kind of stiff upper lip did my right hon. friend keep? I am sorry he has become so touchy that hearing the simple truth should cause him to make such an exhibition of himself as has become notorious throughout the world. To think, after receiving a degree from a great university, he should humiliate Canada by asserting that the old ties of blood and kinship between the motherland and the Dominion were gone, and that if they were not replaced by "commercial ties" —the mercenary and monetary spirit—which caused Great Britain to lose the greatest possession she has ever lost, our far-flung empire would share the fate of other great empires of the past! Was it not time he was leaving England and the heart of our great empire, after laying down a platform such as that, and giving the quotation from the volume of the old sacred law? We could give him many quotations to show that it is the money and mercenary spirit which has caused the downfall of every great nation of the past. What was said of old Babylon? We know that in the matter of riches, in the matter of sordid wealth and outer splendour, old Babylon had no rivals in ancient times, but her fatal weakness was that she placed no weight on real manhood and true character. As a consequence, her gorgeous palaces and hanging gardens became the abode of selfishness and sensuality with the result that we now read that over that spurious greatness rests the stillness of the desert, the gloom of an eternal night. Let him trace the downfall of every nation of the past, and he will find that that has been the cause of its fall. Is it any wonder, too, that he was not received with any great spirit of acclaim when he landed on the shores of Canada? But he hastened at once to Regina, either to prolong the hopes or to dispel the fears of the farmers of western Canada, I do not know which. To my mind it is most amusing to study the peculiar mentality of the Prime Minister. At Regina, after talking a great deal more trash he said:

Attempts are being made and would be made to fasten upon the present government responsibility for present-day conditions. But no one can deny that the present depression was only the culmination of nine years of total disregard of the fundamental principles of constitutional government, and disregard for the elementary laws of economics.

I deny that statement in toto. It is absolutely beside the fact, and if the Prime Minister knows anything, he knows that expression is some of the most arrogant piffle ever uttered by the tongue of man.

When he went to Calgary, he had rather changed his mind; he had become more hesitant, and he said he was going to find out

why the people of western Canada had not even the bare necessities of life. These are his words:

I cannot make up my mind why this country between the lakes and the mountains should endure such depression.

The Prime Minister seems to regard the situation in western Canada as a mere matter of psychology. He said:

Our closeness to other people has much to do with our ideas of depression. We get the idea that the whole world is out of joint, and the psychology of it is reflected in the morose and solemn way in which some men walk down the streets of Calgary.

I tell the right hon. the Prime Minister that there is no class of people in this world who show a finer spirit in the face of adversity than the people of western Canada, but when men cannot sell their labour or the product of their labour, the cause and remedy must be sought in stern realities, and sir, it is stern reality which this government is giving in the villainous legislation which it has already passed, and which is grinding out the very life-blood of the farmers of Canada. To-day all over this country the farmers are praying and pleading for a government which will relieve them of their serious fiscal burdens and increase their purchasing power by enabling them to secure access to wider and better markets in which both to buy and sell. They are praying for a government which will legislate for the general good of the people.

But let us go further. After listening to an outline of the present distressing conditions existing in many sections of western Canada, we have witnessed on two occasions in this house, on April 21 and April 28 last, the most surprising exhibition on the part of the Prime Minister. Time and again while in opposition he told the house and the country that he would prescribe for the ills of Canada once he was called in. After listening to his appeals, what is the remedy he now proposes? Mr. Speaker, it is the most humiliating spectacle I have ever witnessed in this house. He characterized the whole appeal on behalf of western agriculture as nothing more than the cry of stinking fish. Mark you, Mr. Speaker, those are the words of the Prime Minister of Canada; they are not mine. The Prime Minister declares that there is no evidence of acute distress at the moment, and he has thrown the farmers' pool into the waste basket.

He went to England and took John McFarland with him; had him appointed sales manager for the pools; he has broken down the whole line of sales communication which the wheat pool had taken years to establish, has had their sales force in Great Britain and on the continent withdrawn; has thrown the whole business back into the old channels of the grain trade, the life-long enemies and determined competition of the pool; and then after destroying the farmers' whole line of sales communication in that way, the Prime Minister has the audacity to try and convince this house that he is a friend of the pool, and he takes credit for Canada getting rid of more wheat during his regime at ruinously unprofitable prices.

Mr. GOTT: I rise to a point of order, Mr. Speaker. The hon. member for South Huron (Mr. McMillan) took the strongest exception in the last parliament to speakers on the opposite side of the house reading any part of their speeches. I object to the hon. member reading now. No objection was made to his reading the whole of his speech in the debate on the address, but I do take exception now.

Mr. SPEAKER: It is a well known rule of the house that members must not read speeches or essays. The rule has been more honoured in the breach than in the observance, particularly this session. I hope that now the attention of the house has been drawn to it, the rule will be better observed in the future.

Mr. McMILLAN: Thank you, Mr. Speaker. I am within the judgment of the house when I say there is no member who has read less of his speeches than I have since I have been a member.

After declaring that there was no evidence of acute distress among the farmers of western Canada, the Prime Minister went to the relief of the banks, and absolutely relieved the banks from the liability of losing a single dollar, and he did that while his Minister of Agriculture was protesting against the manner in which the banks were treating the people of western Canada. What has his own Minister of Agriculture (Mr. Weir) to say? He is reported as follows:

Credit is the desperate need of the Canadian farmer at the present time. The necessity of providing some means by which loans can be given to farmers was continuously brought to his attention. As an illustration of the reluctance of financial houses to advance money on farm property, he told of one man who was unable to borrow any money at all on a large and well-kept farm but had little difficulty in borrowing several thousand dollars on his race horses.

Again he said:

The attitude of the banks was providing the opportunity for the radical to argue that whenever capital had the chance, it reared its head to secure its toll.

He also said:

One farmer who gave his bank a statement of barley at eight cents a bushel, oats at ten cents a bushel, and wheat at thirty-three cents a bushel, and was worth $37,000, was refused a bank loan of $1,000 to tide him over until spring.

The Minister of Agriculture continued:

I know of a rancher worth $100,000, with a $2,000 mortgage against his place, who cannot get $500 to help him over the winter. It seems strange that when you enter the bank you find the motto over the door "When in difficulty consult your banker." I feel you agree that what those people must have is credit. They have the equity and the ready security.

The Prime Minister in convicted from his own lips of showing favoritism to the great interests, the banking institutions of this country, and of being false to the basic industry of Canada, and he thinks he can get away with it by saying that he has put the collective power of the whole Dominion of Canada behind agriculture. He lost the opportunity of a life time when he relieved the banks of their responsibility. Why did he not go far enough to say to the banking institutions that they must drop their interest on farm loans to at least 6 per cent? Surely he could have wrung that consideration out of the banking institutions of Canada. We see now why he will not let his Minister of Agriculture open his mouth on the floor of this house. He is afraid to let him stand up and tell the truth to the country, and I must accuse the Minister of Agriculture of lying down under the lash of his leader and not standing up and asserting the majesty of his manhood, regardless of the possible loss of his position in the cabinet.

Moreover, Mr. Speaker, after safeguarding the banks as he has done, he sent his Minister of Agriculture to Winnipeg, where he arranged for more relief in the way of farmers seed grain than had ever been known since confederation. Does that act show no immediate sign of distress among farmers? And how did he provide the security for this farmers' relief? By saddling the burden upon the municipalities and the provinces. What is a rural municipality but a corporate body composed of the farmers of a certain area or district? In other words, through the medium of his Minister of Agriculture, after freeing the banks, he has afforded the farmers relief by saddling upon them a financial burden from which they will never recover—a burden which will hang like a lodestone on the mind of every keen-visioned farmer.

And the irony of the whole situation is that after saving the farmers in this most harassing way, and calling the appeal for the relief of agriculture nothing better than a cry of "stinking fish," he sallies forth in this house and tries to proclaim himself the saviour of his country. I call upon my young friend the Minister of Agriculture, after his leader in taking advantage of his own inexperience has saddled upon him the obloquy of such a humiliating situation, and I say unto him, "Come ye out from that coterie of millionaire manipulators, for they are as dead men's bones from which ye can receive nothing but contamination." You cannot continue to sit where you now are and support the policies of this government, and at the same time implement your solemn pledge to Canadian agriculture.

Judging from discussions in this house, one would almost think that agriculturally, Ontario and Quebec were scarcely factors in our national economic fabric. How often have we noticed the endeavour made to pit the agricultural west of this country against the industrial east! As if Ontario and Quebec represented nothing in the agriculture of Canada. Every citizen of this country ought to know that Ontario is still the leading agricultural province of Canada. Ontario still produces almost one third the agricultural wealth of the whole Dominion, and, climatically, is our most dependable province. In 1929 Ontario's agricultural production was $509,208,000 out of a total of $1,631,124,000 for the whole Dominion or 31 per cent of the whole. In 1930 it was $421,242,000 out of a total of $1,240,470,000, or 33·95 per cent of the whole. Quebec also in the field of agricultural production has been making a wonderful stride. Ontario and Quebec together in 1929 produced 62·71 per cent of the agricultural revenue of the whole Dominion. In 1930 they produced 55 per cent of the total. Therefore, for the welfare of these two provinces, as well as the whole Dominion, everything possible should be done to secure access to the world's best markets in which to both buy and sell, knowing that if we can maintain agriculture and those whose energies it engages in a buoyant and prosperous condition, the other economic problems of Canada will very largely solve themselves.

Take the dairy industry, the greatest and most profitable branch of Canadian agriculture, which, about two and one half years ago, was in a buoyant and prosperous condition. About that time the present Prime Minister and a horde of lieutenants began howling back and forth all over this country, telling the people everywhere that the Mackenzie King government was destroying the

dairy industry through the medium of the Australian treaty, and by allowing the importation of New Zealand butter. The present Prime Minister and his followers kept up that howl right to election day last summer. They went into almost every riding and kept howling day and night. In South Huron we had two men who day after day, and week after week, went all over my constituency trying to poison the minds of the farmers and their wives with that kind of thing, and telling them that their only salvation was to elect Mr. R. B. Bennett, that he was such a wizard in agricultural knowledge that he could remedy things in short order. So the electorate took them at their word. But where now are those who were his leading lieutenants then? Where, for instance, is the hon. member for Dufferin-Simcoe (Mr. Rowe) and the hon. member for Haldimand (Mr. Senn), the two hon. members who bore the brunt of the work? Where are they? Relegated to the cold shades of the government benches in this house. They were all right to howl, but no use whatever for the Prime Minister's present service. He wanted to secure a real expert in agricultural science, so he journeyed out to the constituency of Melfort and brought forth the modern Moses, who was to show the Canadian dairymen the way to the promised land. I pause, Mr. Speaker, to say I have a warm personal regard for the Minister of Agriculture. When I met him during the recent session he intimated his wish to have a talk. I replied at once that I would gladly aid him in any way. However, since then I have heard nothing more, so I am clear.

But what is the result of the Prime Minister's wonderful prescience thus far in the dairy business? The result is the debacle in the Montreal butter market, where there has been a gradual decline in price almost ever since the election, until in the end butter took a ten cent per pound drop in the space of ten working days. It is now down to its value in the world's market of London, England, where it had never been since the Australian treaty came into force on October 1, 1925. Mark you, Mr. Speaker, I do not blame the Minister of Agriculture for the debacle, because according to press reports he marshalled all the superhuman qualities of which the Prime Minister thinks he is possessed, went down to Montreal, and suggested to the butter dealers that they put their butter in cold storage. But of course the butter experts could not view the situation that way.

I pause to place on Hansard the situation as to butter prices ever since the Australian treaty came into force. I will not worry the house with the details, which may be found in two speeches which I made on June 7, 1928, and March 18, 1930, and which up to this moment no member, not even the Prime Minister himself, has ever ventured to dispute on the floor of this house, or call in question the facts contained therein. As every student of these matters knows, up to October 1, 1925, when the Australian treaty came into force, the London market had always been the world's best butter market, and consequently the greatest distributing and price-regulating market of the world. When the treaty came into force the London prices of butter were: New Zealand, 50·78 cents per pound; Australian, 47·74 cents per pound; Canadian, 46·87 cents per pound. You will notice that the price of the Canadian article in the British market was lower than that of either New Zealand or Australia. From that date there was a gradual readjustment of prices until in March, 1926, when No. 1 pasteurized butter in Montreal stood 10 cents per pound higher than the price of either New Zealand or Australian butter in London, England. During the entire year 1926 Canadian No. 1 pasteurized butter was 2.46 cents per pound higher in Montreal than its value in London, England; in 1927 it was an average of 4.72½ cents per pound higher; in 1928 it was an average of 4.17 cents per pound higher; in 1929 it was an average of 4.79 cents higher; on March 1, 1930, it was 6 to 6½ cents per pound higher, and on March 14, 1930, it was 7.18 to 7.61 cents per pound higher in Montreal than its value in London, England. So we follow along until April 21 of this year, when No. 1 pasteurized butter was 22 cents per pound in Montreal while Australian butter was 23 to 23.43 cents per pound in London. For the week ending May 2, 1931, the price of No. 1 pasteurized butter at Montreal was 22¼ to 22½ cents per pound while the price of Australian butter in London was 22.35 to 22.78 cents per pound. Yesterday No. 1 pasteurized butter was 22 cents per pound in Montreal, while No. 1 western coloured cheese was 9½ cents per pound.

So much for the dairy business. The Australian treaty has been done away with, but if you study its history you will find that from the time the treaty came into operation there was not one occasion when the price of butter in Montreal ever fell to the level of the world market price. It was always above the market price in London.

Mr. McGIBBON: Does the hon. gentleman not know that the 1929 New Zealand butter was only released from cold storage about two weeks ago?

Mr. McMILLAN (Huron): The hon. gentleman can study that out himself.

Mr. COTNAM: Is it not a fact that the hon. gentleman voted to cancel the New Zealand treaty, or the order in council extending the treaty to New Zealand? Why did he do so, if that order in council was so beneficial to the dairy industry?

Mr. McMILLAN (Huron): Yes, I did, and I am glad to answer that question. The late government gave notice of the cancellation of that order in council for the simple reason that when the Imperial conference met during the fall of that year, no Canadian government could have done anything at all unless that notice had been given. That was one of the stipulations contained in the agreement with Australia, and I recall that hon. gentlemen opposite went from one end of this Dominion to the other and never told a single audience that this condition existed. They wanted to keep the truth from the people.

So much for the dairy business. From this time henceforth the London market will regulate, in a general way, the price of Canadian butter and, as we have always informed the dairymen of Canada, the eight-cent tariff imposed on New Zealand butter is of no use. This is another instance of the sham remedy of high tariff; it vindicates every word we have said as to the folly and hypocrisy of high protection.

Now I come to the question of live stock. I hold in my hand an outline of what is purported to be Canada's new agricultural policy, and with the consent of the house I should like to be allowed to place that outline on Hansard.

Some hon. MEMBERS: No.

Mr. McMILLAN (Huron): Very well, it does not amount to very much anyway. In this policy there is nothing new. If we can only show to the live stock producers of Canada a clear outlet by which they will be able to place their products in the hands of the ultimate consumers free from present serious obstructions and with some slight margin of profit to the producer, the problem will largely be solved. That fact is shown conclusively in the present and prospective supply of dairy products. Notwithstanding the howl that went abroad that there was a shortage in the supply of Canadian-made butter which would take years to satisfy, that shortage has disappeared within seven months.

In the Ontario section of the Canadian fat cattle trade, from the point where our animals are dumped into the Toronto union stockyard market to where the finished product reaches the ultimate consumer the funnel is blocked so effectively that the feeder is at the mercy of the processing and distributing interests. So completely is this the case that the production of beef cattle is paralyzed to such a degree that the cattle feeder is disheartened and does not know which way to turn, with the result that our successful feeders of the past are almost entirely out of the game. No one knows what kind of a stone wall the producers are up against but those who have been actively engaged in the trade. There are no secrets in the business of meat production; there should be none in its processing and distribution. The whole business should be an open book with no hold-up which will deprive the hard working producer of the fruits of his continuous, careful exertion. This is true also of the business of hog production, with the one redeeming feature that so far the packing combine does not seem to have all the abattoirs so effectively coralled. However, the unreasonable fluctuation in price is most exasperating to the producing partner in the game. This is a business which demands immediate, searching investigation and continuous control.

It may happen, and not infrequently does happen, that after all the wheat is garnered, transported, graded, milled or exported, it leaves no margin of profit to the grower. When this occurs the consequences are reflected at once in depressed business conditions. The partnership betwen agricultural prosperity and business prosperity now has been clearly established, and the safeguarding in every possible way of the interests of the producing partner ought to be the prime consideration of national policy.

Apart from general world conditions since the war, in the course of which nearly all nations, with the exception of Great Britain and Canada—under the Mackenzie King administration—have become high tariff crazy; apart also from the fact that international war debts should have been cancelled, the present agricultural depression in Canada is largely the result of inequality in the returns from urban and rural labour. Higher wages in urban industry and in transportation service have drawn labour from the farms to such a degree that the farm population in Ontario is incapable of properly cultivating the land. It is well known to every real student of agricultural conditions that the farmer receives less return for his investment, energy and labour than any other department of our whole

national economic life, and yet I have never been any place on earth where this problem has received less real sympathy and true consideration than on the floor of this Canadian House of Commons.

Mr. SPENCE: Tell us how to run it, then.

Mr. McMILLAN (Huron): For once we will take a leaf out of the book of my hon. friend's revered leader; we will tell you when we are called in.

Mr. SPENCE: Tell us now.

Mr. McMILLAN (Huron): You read my speech carefully and you will find that I am giving you the remedy right along.

In 1922 the Mackenzie King government started on the right lines, with a trade policy of gradually reducing tariff restrictions on all necessities, with reciprocal trade preferences towards all countries willing to meet Canada upon mutually favourable terms. These are the two factors which will tend towards a permanently successful agriculture and the encouragement of industry, shipping and international trade. In that way, and in that way only, can a Canadian government ever secure, broaden and develop the markets which Canadian agriculture must have in order to lift the Canadian farmer out of that slough of despond in which he is now placed. It is true that along the lines of lower tariff the government did advance very slowly, but in their efforts they had to overcome the obstruction of a world of advancing tariffs surrounding almost every nation. Nevertheless, under that policy the government made a wonderful record. Canadian agricultural production increased in value from $1,389,000,000 in 1922 to over $1,806,000,000 in 1928. The value of manufactured goods increased from $2,482,000,000 in 1922 to almost $4,000,000,000 in 1929, with an increase in the number of employees of manufacturing concerns from 474,430 in 1922 to 711,000 in 1929.

Canada's foreign trade also increased from $1,501,731,341 in 1922 to $2,654,574,166 in 1929, although owing to world conditions it fell back to $2,393,212,000 in 1930—a growth in which Canada led the world in her per capita exports of manufactured and semi-manufactured goods, even leading Great Britain, France, Germany and the United States; a growth which no other nation of ten million people in any similar period of the world's history ever attained.

It is true that even such a record did not prevent the present world depression from partly reducing Canadian trade, along with that of other nations, in its train of economic destruction. This shows that we are living in a world where no nation can live unto itself. In this respect I cannot help recalling that in this house some time ago I drew pointed attention to the fact that, while a policy of high tariffs had been discounted for an age, protectionists still chatter its shibboleths; that 1,028 of the leading expert economists from 46 states of the American union met President Hoover, on May 15, 1930, and made one of the strongest appeals in history against the high tariff of the United States. Some two years ago I also recalled how that great British economist, Sir George Paish, had declared that, "unless the United States and many other nations ceased telling their people, you must sell here but you must not sell there," the world was facing an economic cataclysm from which no country could escape.

Mr. SPEAKER: The hon. member has been speaking for forty minutes

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, it seems too bad, after engaging ourselves during the last twenty-four hours in such pleasant entertainments, receptions and banquets, that we should now have to fall into line of battle and hear the clash of arms on the various questions that divide the parties in this house. I had a very pleasant experience listening to the Prime Minister (Mr. Bennett). I observed how gallantly and entertainingly he played the part of host at the luncheon we attended at noon. We have seen him in that delightful humour only too seldom during these last nine months, but once in a while these festivities make us realize how human we all are, and how friendly we can be with one another at such times. It was my good fortune to have on my right at that luncheon one of the Conservative members whose name I thought I did not know. Towards the close of the luncheon, however, I thought I would try him out to see where he came from; and lo and behold it was the hon. member for Lanark (Mr. Thompson), my own old county in which I was born. At the same time, to my left, I saw my deskmate (Mr. Euler) and the hon. member for South Battleford (Mr. Vallance), looking askance at me, no doubt wondering that I found such delight in the company of a one hundred per cent Tory from a constituency one hundred per cent Tory since confederation. However, we had, as the saying is, a whale of a time. We differed in politics, but that did not matter there. We like the Tories but we dislike their politics; we like

the sinner but we dislike the sin. That is the way we stand. But after all what good would the house be without some Conservatives? Indeed, I would resign to-morrow if there were none. Nevertheless, we cannot allow any sentimental feelings of this nature, or any sort of squeamishness to interfere with our duty to our constituents.

Before leaving for Ottawa I was invoked by my constituents, at two or three little gatherings I had of some of the executives—and when the word got around that these meetings were going to be held, there would be a hundred or more present—I was invoked, I say, to represent things here just as they exist in the west. I asked them what they expected me to do. I had never been in opposition before, and if we wanted to help the country it was obvious that we should have to do it through this outfit—there was no other way. I do not say that at all disparagingly, and perhaps I should not use that expression. But I think my hon. friends know what I mean. Well, at one meeting they told me what they expected of me; they said, "Tell them exactly what conditions are like in the west, because we in the prairies do not believe that they understand the situation down there." That was at one meeting. And, they added, "having performed that duty, and seeing no results, then give them hell." Now I have not carried out that invocation yet, and I do not want to go back home until I have done so, at least to some extent.

A week ago to-day, Mr. Speaker, the Prime Minister undoubtedly gave us on this side something of a castigation. And he can do it too. Some people call it scolding, but I call it a general tongue-thrashing. I have heard fishwives in the old country who could do it better, but I have never known any man in this country who could do it so thoroughly as the Prime Minister. I have not been brought up, either at school or anywhere else, to submit to that kind of bullying and I do not propose to start now. So that I shall have some things to say before I sit down.

Now, Mr. Speaker, ever since time was, everyone who has tried to better conditions as he has found them has been accused of discrediting his country. You may go back to old testament history; you may turn to the various revolutions that have taken place, in the United States, in France, or in any other part of the world; you may study, more recently, the reciprocity question, and more recently still the Dunning budget, and in every instance you will find that there have been people who have been prepared to stand up and say that those who have advocated improvements were endeavouring to discredit their country. And because hon. gentlemen behind me and on either side of me have been stating what they know to be the facts in western Canada, all sorts of epithets have been applied to them. But what did the Prime Minister himself say, before this parliament met, with respect to conditions in western Canada? He has been quoted on several occasions. He stated at one time, in very contrite terms, that he feared the spring would find us with no seed for the sower and no bread for the hungry. Well, that is sad enough. With the chastening influence of Christmastide upon him, and at Calgary, he did not understand how that vast country from the lakes to the mountains could not enable the farmers to lay by some reserve for an occasion like this, notwithstanding that at that time many of them were unable to secure the bare necessities of life. Could you hear anything more pessimistic than that? I have not heard anything worse. Is it wrong to say such things if they are true? Is it pessimism? Is it "stinking fish," to use the Prime Minister's expression when he spoke the other day? And what did his colleague, the Minister of Agriculture (Mr. Weir), have to say? And here I wish to compliment the hon. gentleman. Sir John Macdonald used to say that the best apple tree would always be found to be the tree with the most sticks and stones under it. If that is so, my hon. friend must be the best apple tree in the orchard opposite. But what about the rest, if he is the best? I am not blaming any of them, Mr. Speaker. They have all been on the leash and under the gag of their leader. Well, that is a matter of discipline among themselves. I know what it is to be a member of the government and I sympathize with my hon. friend, because in my estimation he is not being done full justice by his leader. At Toronto I heard a friend say that the Minister of Agriculture at the Royal Winter Fair had conducted himself really creditably, and I believe he can do so in this house when he gets the opportunity. But what did the hon. gentleman say? It has been referred to by previous speakers, and I have here a quotation of some remarks of his with reference to the banks. It is about the only kudos he obtained among his various manifestos. If the rest of us require disciplining by the Prime Minister because of references we have made to the banks, what about the Prime Minister's colleague? The quotation to which I refer is from the Globe. I do not know what that paper is now politically;

it is supposed to be independent. My hon. friend the Minister of Agriculture, speaks about people being "in want." That is a very comprehensive word. The hon. member mentioned the unlikelihood of anything like secession manifesting itself in his constituency. That statement may be correct, although there may be a little corner or two where something might be heard about it. It is too bad if farmers in distress and extremity cannot say something of that nature to act as a safety valve for their vocabulary when they are backed up against the wall.

What about the Prime Minister when he was in Belfast? What did he say? He predicted the decline of the British Empire like all empires of the past unless there were applied some economic nostrums of his own making. Not a word was said against that, but the farmer out on the prairie who makes a statement as to what he thinks should be done to relieve conditions or as to what he is prepared to do if they are not bettered, is immediately castigated not by the Minister of Agriculture but by his leader and other hon. members of this house. I do not approve of that action, and I do not believe the farmer does. He wants a betterment of conditions; he is proud of Canada and he is proud of the west, but he wants to be given a chance. That is the reason he is talking in that way. Look at the example given by the Prime Minister while abroad. No one in western Canada has ever suggested the decline of the British Empire.

Another statement by my hon. friend (Mr. Weir) had to do with the lack of credit, which lack is felt very keenly by the farmers. He said, in effect, that the attitude of the banks was providing an opportunity for the radicals to advance the argument that whenever capitalism secured the opportunity it would rear its head to secure its toll. That sounds something like the remarks of my hon. friends in the haw corner of this side of the house.

Some hon. MEMBERS: Hear, hear.

Mr. MOTHERWELL: Well, on my left hand.

Mr. STEVENS: Where is the gee corner?

Mr. MOTHERWELL: That was a good bid for popularity by my hon. friend (Mr. Weir); it was good advertising; why should he work his head off without letting the world know about it? He continued:

> If they (the banks) are not prepared to extend credit, someone else must and will.

I wonder who that someone is? My hon. friend was assuming the role of prophet. Was he speaking for his sleeping colleagues? Will they not wake up from their stupor and advise us who this benefactor is? Who is this man who is going to supply credit? My hon. friend has a grand opportunity to tell us; he would sweep things before him and would have everything his own way.

If the Prime Minister intends to castigate the hon. members of this side of the house, let him turn to the Minister of Agriculture, who has been on the leash so long. I prefer not to make many comments with regard to my successor. I had a delightful experience with my predecessor and I would have liked to have handed that on. However, there are those I regard more highly even than my successor, and that is my constituents.

I have recited before the various and varied experiences of the Prime Minister during the last nine months, but I will hurriedly go over them again. What did he do to assist inter-empire trade on the very day he took train for Quebec to embark for London—he put up the tariff as an indication of affection and good will towards the motherland. Would not that take the beard right off anyone? Certain wild animals in captivity show their affection for their young by devouring them. Take the mother fox, for instance; if you disturb her she will eat her young or smother them because of her love. That is the way the Prime Minister showed his love for inter-empire trade—by smothering it. How strangely some people display their affection! We see in his London experience an attempt to eat Hon. Mr. Thomas without salt. There was also the Manchester Guardian incident, the cotton spinner and shoemaker incidents, and then again at Belfast where he was being honoured with a degree. He said the most extraordinary things there, such things as one would expect to come from a rattlebrain, but we do not suspect the Prime Minister of being that. I do not think that there is a hole between here and hades into which the Prime Minister has not put his foot to the hilt during these last nine months. I see by the countenances of hon gentlemen opposite that they all agree with me in this, because none knoweth better than they.

We will have a vote on this question and we will be interested in seeing how our western Tories will vote. Of course they will vote right, and for that reason we will have to be as pleasant as possible in putting up with Tory policies for the next three or four years.

We are being asked: what would we do? I do not think that is a fair question, but I intend to accept it as one. In the past no opposition leader or opposition that I know of

has ever produced a policy for the government, nor should they be expected to. People call in a new doctor and no matter how much of a fake that doctor may be it is a violation of medical practice and etiquette for the old doctor to nose in unless he is urgently asked to do so. We have been so repeatedly and almost urgently asked to supply a policy, that I think I will do so, with limitations. Many hon. members will recall that in the fall of 1929 the Department of Agriculture through its officers—for a time assisted by myself just before I went to the hospital in December—realized that things were sliding with regard to the live stock industry. Wheat had been such an attractive proposition in the west in previous years that the production of live stock in some lines had been permitted to decrease in relation to consumption. It had not kept up with the consumption in Canada because of the extraordinary developments during the previous five or six years. We had the home market which our Tory friends love so well and we were just able to keep up with the consuming and purchasing capacity of the people during the growing and developing years from 1923 to 1929. However, I did not like to see our exports disappearing off the British market, and my then deputy and my then self took an initial step and got out some 1,200 questionnaires with the view of increasing the production of live stock in Canada. Certain agricultural papers strongly opposed a greater production program, even in this province—some in the city of Toronto—and in order to be fair to the others I might mention the Canadian Countryman. However, these papers had a right to express their thoughts on this matter. Out of the 1,200 questionnaires which were returned, mostly from farmers, we found that two-fifths were either against this suggested increased production or indifferent to it, while three-fifths were fairly strong for it, particularly if the government would provide some additional means of marketing the increased production. It was suggested that a number of experimental abattoirs should be established, along similar lines to the experimental creameries at Finch, which would demonstrate the value of lessening costs by mass production. A live stock conference was held in my then office in March, 1930, but there were too many present to permit the formulation of any definite policy. There were forty in attendance, every one with views and opinions of his own, but we had received sufficient information as to the feelings of the farmers and their live stock organization to realize that some forward step should and could be taken with fair prospects of public sentiment among farmers being behind it. This will be found recorded in Hansard of last year, although not quite so fully as now.

In the meantime I had recovered sufficiently to get on my pins, although not much more. We had to give some effect to that sentiment, assuming of course we were going to come back to power, although on that score I had a few misgivings of my own. Possibly my being ill accounted for them. As a matter of fact, however, if hon. gentlemen care to hunt up the supplementary estimates of last spring they will find that, on my advice to my colleagues, there was placed in the supplementary estimates an item of $25,000 for a thorough investigation into the live stock industry, including live stock products and all things associated with live stock, that is seeding down, drifting soil, and many things that require to be gone into thoroughly before one embarks on a big campaign of increased live stock production, especially in western Canada.

Of course we know what intervened. The electors thought our hon. friends opposite could do better. They have been quite disabused of that idea by now, but my hon. friends opposite are in power and what can we do but make suggestions? If they call for the files, they will find it is on record that the money was there for a live stock inquiry, and the present government did not choose to use it. They apparently thought they could evolve a better plan without anybody outside of themselves telling them what to do, with only one gentleman in the cabinet being a recognized authority, and he with a limited experience as to years—three years' residential experience on the farm. He (Mr. Weir) was the only agricultural authority within the cabinet, and a great responsibility surely rested upon his shoulders. They also seemed to spurn the idea of seeking outside advice, possibly because of the known objection to commissions generally entertained by more or less uninformed individuals. Nevertheless they had a commission, the Stamp commission, composed of eminent gentlemen. I could never find out who asked the government for it. It is not safe to predict before the event, but I will take my chances on predicting that the result will be just about what we all knew before, namely, that you cannot dispense with future marketing, future selling; but that certain limitations will be put upon it. It will be something like what is in practice in Chicago and Kansas City. This shows that it was not hostility to commissions that led the government to take

[Mr. Motherwell.]

the course they did, but simply that they thought they were all sufficient in themselves to formulate a policy regarding live stock and live stock products.

My good friend is desirous of proving himself fully qualified to fill the very difficult position he now occupies. He has my sympathy, and I am not going to recite all the policies that he has evolved, and that have been increasing in numbers as the months go by. In the beginning he had only four items, and they looked a little small to be called a new national policy. He was going to take care of pollorum in chickens, something that has been rampant in some flocks in Canada for fifteen years. This is not something new. Ask the chickens in the maritimes if it is new. They were so affected. Ask the Dominion poultryman. Why, if there is one branch of agriculture that has been developed in the last five, six or eight years in Canada, it has been poultry, and the diseases are the constant attention of the departmental officials. Yet my modest friend is going to cure pollorum, which is "white scour" in chickens. This is a commendable and very necessary work, but surely it cannot be called new any more than the agriculture of King Tut can be called new. Wheat has been found in those catacombs or bowels of the earth, whatever you call them, and this indicates that there was an agriculture in those days. What is field agriculture? It is the developing and growing of selected domestic plants good to nourish man and beast. Consequently there was nothing new about that.

Some months later in MacLean's, a very enterprising magazine, a Mr. Churchill had an interview with my hon. friend. In a moment of weakness he unfolded himself further with regard to policies. He has evidently a good standing with the press and he has given them a good story. Anyone who gives the press a good story will receive a good hearing from them, but sometimes it is inconvenient to talk as freely as one might and especially when the very self-same policy, which was unfolded in MacLean's magazine, was unfolded in that good old farmers' journal, the Farmers' Advocate, on which I was brought up. Nevertheless to make it more official, we find it in the library of the Department of Agriculture: "Descriptive List of Accessions." This is supposed to cover the books. This is not a book: this is an accession which I am going to read:

> Canada's new agricultural policy; an exclusive and authentic statement of the new farm policy shortly to be announced in parliament by the Hon. Robert Weir, Minister of Agriculture, by R. Churchill (in MacLean's magazine, March 15, 1931, pages 12, 64).

Canada's new agricultural policy consists of—

—so and so. We have to take that as official. I think my hon. friend will not object to my taking it as official. It may have got in there without his knowledge, because in my experience I have found the most extraordinary things happen without a man's knowledge; but not knowing anything different, until recently we have had to take this as only semi-official, particularly when associated with the Prime Minister's remarks the other day when some of our more pertinent members from Saskatchewan, shall I say, wanted to know more about this matter. He the Prime Minister said that the Minister of Agriculture was a practical farmer—I almost heard the smile that came over their faces at that intimation—and that he had very decided views on certain phases of agriculture, which views would be divulged when his estimates were before the house. Consquently this magazine policy is not the official announcement after all, and so far as I can see we are just wasting our time on it. The hon. member for Lisgar (Mr. Brown) and the hon. member for Southeast Grey (Miss Macphail) went over it so effectively that in charity I shall not deal with it any further. As my time is going on, I shall simply proceed with my further remarks.

What do I propose? I have a hunch that none of these manifestoes or policies is the real Kildare. There is another one coming. I say so for the simple reason that none of them was worth a snap of the fingers. As the kindergarten of agriculture, they were all 100 per cent genuine; they were largely elementary, rudimentary and good in their place, but they were not what the farmers on the prairies or down here are thinking about just now. If anyone were to go into a farmers' meeting such as was held in Saskatoon this last winter with that so called new government policy, I would not guarantee his getting out without some bodily injury. That is the case, and the hon. member knows it. But I want to commend the Minister of Agriculture for trying to do his best without the assistance of any in the cabinet with any experience except that they were born on the farm or as they went to school saw, through the cracks in the fence, somebody farming.

That anticipated live stock commission which never materialized expected to look into a number of phases of the question. I had not any cut and dried proposition, but if I had to bring the matter up myself, I had in mind something forward to do with the development of the dairy industry. Our opponents, rivals, competitors, all over the world for the last twenty-five years have been gradually developing and enlarging the manu-

facturing units of their dairy products and increasing the production of the production unit, the cow, increasing the flow of her milk and increasing the size of the dairy buildings until they are eight or ten times as large as they were fifty or sixty years ago when dairy and cheese factories were started in Ontario. That has been going on for twenty-five years in both the United States and New Zealand. Our present dairy commissioner was the chief resident factor and adviser in starting up the present dairy industry in New Zealand. Doctor Ruddick knows all about these plants, and of what advantage it is to have a large production in each one, which tends not only to quality and cheapness of production but to uniformity of product, which is so acceptable on the markets of any country. In our own country, through the effluxion of time, the old junk factories, which were all right at the beginning, are disappearing, and better ones are taking their place; but if we leave it to the process of evolution I am afraid it will take us about a hundred years before we can compete successfully in dairy products with our competitors throughout the world. We can compete now, yes, but it is a competition that leaves our dairyman skinned right down to the heels; there is nothing left for him at all, with cheese at nine cents and butter at twenty and twenty-two cents a pound. They need government help; and let the government take action now. The thought I have in mind now is what I had in mind when I was minister and when $25,000 was put in the estimates of 1930 for a live stock inquiry; and it looks even better now than it did then, because this government is committed as no previous government ever was to putting the whole weight and power of this Dominion behind agriculture, as was promised at the last election. My good friend the Minister of Agriculture can ask for almost anything from this government for agriculture, and if he secures it I can assure him that he will have a solid phalanx of this side of the house behind him too. It is said that we sometimes play politics, but in view of the present distressing conditions in the west, the member of parliament who plays politics alone will not last very long. They want us to be big enough to stand up and help the government in anything that will be of benefit to agriculture, even though we oppose the general policies of the government. I see the hon. member for Rosetown (Mr. Loucks) nodding his head. I hope he will nod it in an effective manner when this question comes to a vote. He knows agriculture, and so does my hon. friend from Qu'Appelle (Mr. Perley). They are both extensive practical farmers in the west.

That is the thought I had in mind; and not only that, but its companion industry, the meat packing business. Whether rightly or wrongly, the producers of live stock in Canada have no confidence in the abattoirs. I do not think that feeling is quite justified, although to some extent it may be. I do not think the abattoirs have been making a nickel in the last few years because of a lack of supply of the raw material; the farmers are not supplying it because they have no confidence in the packers. The thing continues in a vicious circle, neither the farmers nor the packers, as to supply of raw material, having confidence in the other. We have had an increased activity in recent years on the part of the Canadian Live Stock Cooperative Association Limited, and that body hopes for a friendly abattoir in which to process their live animals. What was in our minds at the time we had the conference in my office when I was minister was that we would have an experimental packing plant so that we could ascertain the cost of processing, and find out just what was the reason for the ghastly spread between the cost of the live hog and the finished meat. We thought of one experimental plant in the east and one in the west as a starter. Everybody who has been to Europe, especially Denmark, knows that dairying alone would fall down, and hog raising alone would fall down; but the two together make a go of it, because one is the complement of the other. So I say that it is high time we got a start along the line of properly constructed and standardized combination creameries and butter factories, capable of handling milk and converting it into the most profitable product at the particular time of production. Other nations are doing that already, and we must do it if dairying is going to continue in this country and we are to meet changed conditions abroad. It was with that idea in mind that this prospective commission was thought of, which never was born; nevertheless it may yet come to life. I hope it will, because it is not in the boots of any one man in this Dominion to lay out a proper policy for advanced present-day agriculture by himself. We want the combined knowledge and experience of the very best three or five men that we can find in this Dominion, or, if necessary, we should go beyond the Dominion; but I do not think that is necessary.

Let me ask the Minister of Agriculture not to be shy in following in the footsteps that I endeavoured to trace out for him in this re-

spect. I know how hard it is to do that, but perhaps he will be able to do something along the same line—anything, so long as we get proper and effective action. When the Prime Minister was over in London at the Imperial conference, how often we heard the excuse made on his behalf, "Well, at any rate, we are getting action." That is what the fellow said when he was going over Niagara falls in a barrel; but where was the action taking him to?

I shall not dwell much longer on the dairy industry. It is not my business to evolve government policies, but they helplessly call for it. For the sum of $50,000 a standardized creamery can be established. We have one in Finch, Ontario. It was established in the time of the Hon. Martin Burrell, just to demonstrate this one point I have been making. I do not claim that my proposal is new, but I say it is high time that the idea was given a trial, especially with butter and eggs selling at just a little better than half what they were selling at one year ago. Something must be done, and if anybody has any better idea I will at once dismiss mine and fall in behind that better one, but I want to be shown the better one first. The receipts of the plant at Finch increased from 2,000,000 pounds in 1912 to 11,000,000 pounds in 1925; that poundage includes the various products into which the milk and cream was made. The operations of that plant resulted in an increase from 10 to 31 cents per hundred which the plant was able to pay to its patrons for their milk. There was such a rush of dairymen to get milk sale accommodation in that factory that we were really embarrassed. Having got all the information we wanted from our operation of that Finch plant, we sold it for $25,000, which was the initial cost to the government. So the experiment meant no loss at all to the government, and it was of tremendous benefit to those particular farmers, and of tremendous benefit also to all those who followed the Hon. Martin Burrell in completing the superstructure on the foundation which he had laid. I think the department had something to do with it too. Doctor Ruddick knew the effective competition of New Zealand with larger dual factories, but we have to give the minister in charge the full credit which is coming to him because, after all, he had to dig up the coin for it, and that is no easy matter sometimes.

This dairy policy which I am suggesting, and which has been forced upon us by conditions in competitive countries, has already been started at Finch, and when we find the government so teetotally pledged to the hilt to get behind agriculture in this country, is it not time they were moving? Are we going to be met with the old stereotyped excuse that was given to us the other day in regard to needed public buildings, that it is hard to get the money? It is always hard to get money, and admittedly sometimes it is harder than others, but if this government puts up its tariff wall so high as to exclude imports, what can it expect but diminished revenues? If the government cannot get money anywhere else, what about the claim of the hon. member for South Battleford (Mr. Vallance) against the Department of Trade and Commerce in connection with the handling of the 1917-18 crop? I would like to see a little more about that. Probably the western farmers might lend the interest on that money, which would amount to about $20,000,000, to prime the pump, as it were, and start the thing going. Anything to get action, but not in the direction I was speaking of a minute ago. We have these two factors: The government is pledged to get behind agriculture, and there is this second factor that no industry is so closely associated with the health of the nation and the fertility of the soil as the dairying industry, and therefore I believe that the government would be justified in going to almost any limit in reason towards that desired end. They could start with an item in the estimates of $1,000,000, with the two old provinces of Quebec and Ontario each contributing $500,000. That would make a total of $2,000,000, with which you could construct forty up-to-date standardized combined—cheese, butter, etc.—dairy plants at a cost of $50,000 per plant. In ten years you would have four hundred. That seems to me reasonable. You cannot do it all at once. These parliament buildings were not all put up at once. The central buildings were erected first, then the east block, then the west block, later on the Connaught building, recently the Confederation block, and there will be other buildings later on. Only let us make a start in this matter. I suggest to my hon. friend that he start—but not in the direction of Niagara falls.

There is the example at Finch. It is not a model creamery, because the original building was added to from time to time until it became a combination of rookeries. Still it did better than a small creamery. Attempts in this direction have been made in the province of Quebec, but, oh, the established institutions, dating back fifty or sixty years, are hard to root up, so sacred do such local rural associations become. Private interests have their money invested in those little cheese

factories turning out three or four cheeses a day. How can they make them pay on that small production? How can they afford to engage a proper cheesemaker?—and yet they make wonderful fine cheese therein. It may be that those private interests will have to be indemnified. The cost is so great if undertaken alone by the provinces, and the necessity is so urgent that I appeal to my hon. friends to say if this is not a good time to undertake cooperation action with the provinces. It is not new. I am prepared to hand the credit back to the Hon. Martin Burrell, to anybody, as long as we get something done.

Then we have our grain marketing. Unless there is a mighty quick right-about we are riding for a fall again there at the coming London conference. I do not think my hon. friend opposite (Mr. Weir) knows anything about grain marketing. He is a live stock man, a prize-winner, but I do not think he claims to be an authority on the marketing of grain any more than I am. There used to be one man in this house, the Hon. C. A. Dunning, whom I looked upon as the greatest authority in Canadian public life on grain marketing. Well, we will have to try to get along without him at present. But we have had a grain conference at Rome. Mr. Ferguson I notice, has got into trouble there with the Orange order.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: I did not mean to create a diversion, but that just slipped out. Live representatives of our farmers and the wheat pool in the west were there, and when it was over and the shaking of the dice completed, the net result was that Mr. Ferguson proudly swiped off a chunk of that original conference and decided to take it to London. London conference—doesn't that suggest something awful? But let us forget it. This is going to be a different one—just the same only different, unless quick-foot action is taken. As soon as the wheat-exporting countries started organizing, the wheat-importing countries also began to organize, and quite naturally. I am afraid my forty minutes is running out. Time does fly. Where was I Mr. Speaker, when I seemed to be interrupted? Oh, yes at Rome. A long distance away, but the world is getting—

Mr. SPEAKER: The hon. member for Melville has been speaking for forty minutes.

Mr. MOTHERWELL: Mr. Speaker, I am afraid that even with the aid of this hearing device I have not quite caught your words. Is my forty minutes up, or have I another forty minutes?

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Mr. SPEAKER: The hon. gentleman has exhausted his forty minutes.

Mr. MOTHERWELL: All right. To be continued in my next.

Mr. ELIE BERTRAND (Prescott) (Translation): Mr. Speaker, as the representative of a riding almost entirely agricultural, I take great pleasure in supporting the motion offered by the hon member from Lisgar (Mr. Brown). It is readily seen that the agricultural class has not been receiving all the consideration it was entitled to expect from those elected to power last July. The pledges made during the campaign had led us to believe that agriculture was to be revolutionized. Our farmers were almost sure that their produce was going to bring extraordinarily high prices. But what did happen? If the hon. member for Lisgar brings down a motion of non-confidence, on the agricultural issue, I feel certain that the least surprised of all are the members of the Conservative party; what surprises them most is that this motion was not brought up before. What have we witnessed since these gentlemen came into power? First of all, at the emergency session of last September, when we voted $20,000,000 for the relief of unemployment throughout Canada, rather extraordinary powers were given the minister of National Revenue (Mr. Ryckman), and a large number of items in our customs tariff were revised. Certain short items, here and there, in the newspapers sought to convey the impression that promises made to farmers were being implemented, for instance through the tariff increase on butter, and like products. But today we can clearly see that these changes brought no relief to the farming community as they were led to expect from the pledges made during the last campaign. At this advanced stage of the session it is high time that the hon. minister of Agriculture (Mr. Weir) should define the government's policy on the matter of agriculture. From both sides of the house it has been stated that the agricultural crisis is the worst in Canada at the present time. Nevertheless when certain activities of the department were under discussion and the minister asked if that were his policy, whether the four sections of his program were quoted or whether the said program were published in MacLean's magazine, I believe his answer always was that these were merely some of the activities of his department, and that they were not his entire program. After all the promises made by the Conservative party I think the Canadian farmer was entitled to expect at the

very least a definite program for the protection of agriculture, and that quite some time ago.

On this score I wish to quote from a speech made at Winnipeg by the right hon. Prime Minister (Mr. Bennett) during the course of the campaign. Amongst other things he said the following:

> Listen, you agriculturists from the west and all the other parts of Canada, you have been taught to look down upon the customs tariff and to pin your faith to free trade. Tell me, when did free trade ever benefit you? You say tariffs are only for the manufacturers. I will make them fight for you as well. I will use them to blast a way into the markets that have been closed to you.

Mr. Speaker, after statements like that were made repeatedly throughout the country, is it any wonder that our farmers began to believe they were at the dawn of a new day? They were told that the Canadian market had been flooded with New Zealand butter, that the Canadian farmer was not reaping enough profit on his produce, in consideration of the labour their production entailed, their situation was shown in a very bad light. They agreed that there was some truth in this and felt that the Conservative party really did intend to help them through a policy quite different from that actually put into practice.

Let us see what has happened since the Conservative party came into power and since they raised the tariff on butter. No new duty was levied on cheese because it was recognized that the price of this product was necessarily fixed by conditions on the world market. But the very fact that the duties on cheese were not raised—cheese being one of the most important of our dairy products—goes to show, does it not, that a tariff is of no use to the dairy industry since its production can bring only the price set by the markets of the entire world.

To-day the farmer is much worse off than before. An analysis of the present situation —these figures have been quoted on several occasions on the floor of the house, but I intend repeating them because I wish to draw them to the particular attention of the hon. Minister of Agriculture (Mr. Weir)—shows that the price of butter has dropped considerably on the Montreal market within the last few days. After this weakening movement, the hon. Minister of Agriculture had a conference with Mr. T. W. Grieve, Mr. A. McKergow, Mr. K. D. Olive and Mr. John Charest, all butter merchants in Montreal. Since the conference we have heard it said that certain suggestions had been made by the hon. Minister of Agriculture—for instance, that butter be stored until later. I do not know whether I should attribute this advice to the hon. minister because I should have to ask him if he thought the suggestion very wise. I do not wish to be too severe towards the hon. Minister of Agriculture, who is himself a farmer, and has had the fact broadcast from one end of Canada to the other by the Conservative party; still we would like to see him rise to the situation and really do something for agriculture. Under the circumstances I believe I am well within my rights in putting him this question: What was the result of your meeting with the butter importers and merchants in Montreal? We certainly would like to know; and the farmers of the entire country ask you this question which appears to me to be fair, reasonable and timely just now.

The right hon. Prime Minister promised the farmer that all his ills would be remedied by the tariff; and we had the right to expect that the leader of the government would adopt a policy favourable to the farming community. Once more I say to the hon. Minister of Agriculture that the session is already well along and that still no policy has been announced. We trust that before the present debate is ended he will deem it his duty to reveal just what his program is in relation to Canadian agriculture. A visit to our different country markets during the last few weeks proves that the real situation is very far from that all these promises led us to expect.

During the campaign we were given to understand that the increase in customs duties would enhance the prices of agricultural produce and that the farmer would be protected like the other classes of the community.

According to the statistics disclosed on the floor of this house—these figures are known to all our Canadian citizens, because to-day the situation is being studied more than ever before—there is no reduction, or very little, in the price of the necessaries of life, while the prices of agricultural produce are constantly on the down-grade; as a consequence the condition of this industry in our Dominion is very bad, not to say desperate. But to come back to what we noticed: The difference in prices on the markets is so great that housewives are always surprised when they compare this years' prices with those they had to pay last year. But those who are most surprised and who feel it most are the farmers who see the prices of their products striking bottom all along the line. Here are a few facts revealed by an investigation made last

February: Eggs which last year brought from 50 to 60 cents a dozen, were selling at 16 or 17 cents in February, 1931; butter which had been selling at from 45 to 50 cents a pound, had fallen to 29 or 30 cents. Since this investigation in February last the price of butter has fallen to 22 cents a pound. In 1930 the farmers sold their milk at from $1.50 to $1.60 per 100 pounds; in February, 1931, the price was from 85 to 90 cents.

May I tell the house that the last survey of the situation, made only a few days ago, shows that at present the farmer is getting a mere 60 or 70 cents for his milk.

Beef which sold at 5 or 6 cents is down to 1 and 1½. Pork has fallen from 12 to 9 cents a pound, and it will go lower. Horsehides which brought from $5 to $7, are selling to-day for $1.25; the same decrease has taken place in the price of cow and calf hides.

This list, which could be lengthened, is furnished by a group of farmers and quotes the prices they receive for their products. This state of affairs is not normal; it is disquieting for the future of agriculture. Those who till the soil have just as much right as our manufacturers and merchants to a legitimate and reasonable profit from the fruits of their labour. At present prices our farmers are actually losing money; they must dispose of nearly everything they sell at prices below cost.

It must be borne in mind that if agricultural produce is being sold at pre-war prices the farmer must pay after-the-war prices for nearly all he has to buy. This uneven condition is one of the main causes of the present agricultural unrest. This unrest, which is fast spreading, brings in its wake the abandonment of our farms.

The farmer who must buy in a high-priced market, is forced to sell dirt-cheap the fruits of his own labour, is overburdened with taxes, cannot find the money necessary to discharge his debts, or even to buy the implements he needs to lower the cost of production and meet foreign competition. Result: despite his efforts to climb the hill, he finds himself constantly slipping back; he loses courage and deserts his farm. That is just what is happening to-day, particularly in the eastern counties of Ontario; if I am to believe what I hear, the same thing is taking place in many other parts of Canada. In the municipality alone where reside the farmers mentioned before, thirty farms were sold between the month of February and the 12th of April last. Isn't that genuinely alarming? Will the hon. Minister of Agriculture see to it that the situation is improved, that the farmer's cost-price is stabilized and the farmer allowed to carry on without loss?

What does the government intend to do for the farmers? The question is being asked by every farmer in Canada to-day. When we ask the hon. minister to reveal his policy we are merely the spokesmen for the entire agricultural community of this country: They want to know, they are most anxious to know, just what the government intends doing to put an end to this agricultural crisis, and how they are going about it.

The millions voted for unemployment relief were of no benefit to our farmers; and the increase in the customs tariff did not prevent prices from falling to a lower level than at any time within the past fifteen years.

The farmer is opposed to a protective policy which increases the cost of living and forces him to pay any number of indirect taxes. He asks the government to reestablish the balance between the price of agricultural produce and that of other necessities of life, to reduce taxation, and to assist him in improving his operating methods and in winning markets for his products.

Pledges without number were given, but few were kept—I feel the Conservative party is willing to agree that this is so—and the deplorable situation of our farmers is going from bad to worse.

The Prime Minister has told us, Mr. Speaker, that the minister's estimates would show a policy favourable to agriculture. I merely record the statement made by the right hon Prime Minister when he spoke, April 28, on the motion I am supporting now. For the sake of accuracy I shall quote his words in his own language:

> By his estimates he has indicated how he purposes to give effect to some of his proposals.

A little further on, replying to another hon. member, he said this:

> Did he compare them with last year or the year before?

I was so astonished that after having studied the estimates, item by item, I began to believe that I had possibly made a mistake somewhere; so I decided to give a good part of my time to the solution of our present agricultural problems.

We note an increase of $175,000 in the vote for experimental farms, item 113. None of us would wish to discredit the work carried on by our experimental farms, and this vote will assuredly benefit the farming community; but is that the best method of helping our farmers over the present crisis? Under item

115: health of animals and administration for the purpose of assisting the farmer in improving his live stock, there has been a reduction of $300,000. Is that an indication that the Conservative government will shortly improve the condition of Canadian agriculture?

Continuing our search for what might be of benefit to the agricultural classes we find that under item No. 114, $650,000 is appropriated for royal agricultural fairs. Please note that there has been an increase in this vote. This would all be very well if the Conservatives had found new markets. But this figure of $650,000 certainly does appear extravagant, when the live stock improvement vote has been cut by $100,000.

I have no wish to criticize the vote of $650,000 for winter fairs. I do not say these exhibitions have not a useful purpose. Still, is that the way the Minister of Agriculture intends to assist the farmer, cutting $100,000 off the vote for the improvement of our cattle and increasing by $650,000 the appropriation for winter fairs?

Further on, under item 123, there is a grant of $100,000 to the executive committee of the World's Grain Congress; another increase. Please note that I have no wish to take exception to it; but while there is an increase here of $100,000, we notice that there is a reduction of $46,291.92 in the vote for cold storage warehouses. After thus combing the estimates of his department I ask the Minister of Agriculture: Where can I find any indication that the Conservative government intends adopting a policy that will improve the agricultural situation not only in my county, but all through the country?

Some time ago when I spoke on the speech from the throne I took the forty minutes allowed me to show just what was the cost-price of several farm products; milk, for instance, whether sold for cheesemaking, or for human consumption—this latter is more profitable. When production increases the farmers must keep their milk, which necessarily enters into the manufacture of cheese. I believe that on that occasion I proved beyond the shadow of a doubt that all the farmer could get for his milk, when used for cheese, if we take his time into account, was on the average between 80 and 90 cents per 100 pound, for either butter or cheese. As I said a while back, and I repeat, this figure has fallen to 60 or 70 cents per 100 pounds. However, for the purpose of the comparison I wish to make I shall abide by the figure of 80 to 90 cents per 100 pounds. I requested the Central Experimental Farm at Ottawa to give me a statement of the cost of production for milk; at the same time I asked a number of farmers to demonstrate, with ample proof, what it had cost them to produce milk all during last year—the entire year must be taken into account if you wish to strike an accurate average. Milk cows do not produce all through the year; that is an impossibility. But during the time they are non-productive they must continue to be fed and cared for by the farmer. Hence the upkeep of the herd during the entire year enters into the cost of production of milk. Here is the report received from the experimental farm for the year 1929: The number of cows fed was 44. The production was 379,263 pounds. The following quantities of feed were used: ground grain, 125,480 pounds; roots and other fodder, 399,437 pounds; hay, 114,597 pounds; grazing, 134·5 per month. Total cost of feed, $3,880.73. The average cost of feeding per 100 pounds of milk was 92 cents.

I must add that in this estimate of the production-cost of milk the experimental farm does not include the labour-cost for this production, all of which should enter into an account of what it costs to produce milk. Consequently the farmers who furnished the figures I spoke of a moment ago, make it plain that the production-cost of milk, last year, was $1.35 per 100 pounds, including the cost of labour and other expenses which run through the entire twelve months; which figure is quite in accord with the statistics furnished, although the farmer produces at less cost. In their statistical report the authorities of the Central Experimental Farm have this to say, among other things:

> As regards the cost of the labour entering into the production of 100 pounds of milk, we must point out that conditions obtaining in the handling of the milk herd at the Ottawa Experimental Farm, where experimental work is constantly going on, are such as to make it impossible to arrive at an accurate estimate of the cost of labour as regards milk production; hence we have not quoted any figure. However the results of several investigations—not of the Central Experimental Farm, but of several investigations—lead us to believe that, on the average, feeding represents sixty per cent of the production-cost of milk, and labour, about forty per cent.

which proves that in 1929, at the Central Experimental Farm, at Ottawa, it cost $1.58 to produce 100 pounds of milk. I could not obtain the complete statistics for the year 1930. Frankly I believe that the problem was gone into much more seriously in the province of Quebec, where it was ascertained that the cost of production for milk varied between 65 cents and $1.40, or even more, per 100 pounds. To strike a fair average

we may say that the farmer, although very often he is not so well-equipped as he would wish to be, and sometimes has not the money necessary for improvements, spent last $1.05 per 100 pounds of milk. And although there has been a decrease in the price of grain no one can show that the farmer is in a position to care for his herd throughout the year, to pay the wages of his help, and to sell milk at 65 or 70 cents per 100 pounds. It is plain therefore that the farmer is working at a loss. If the dairy industry is the main industry of a majority in the province of Ontario, and of quite a number of farming districts in the province of Quebec, how can the farmers get along if they continue to receive such low prices?

During the last campaign the farmers were given to understand that the tariff would come to their assistance, that new markets would be opened up for their products and that they would sell their produce at reasonable prices. If the conservative candidates at that time found that the farmers were not receiving reasonable prices, I ask them if to-day, after eight months of conservative administration, they consider prices reasonable: butter, 22 cents a pound; cheese, 9 cents; eggs 15 to 17 cents a dozen, and so forth. Prices have fallen outrageously since the conservative party came into power.

Quite everybody agrees to-day that the agricultural class carries the largest share of the burden of taxation, be it the customs tariff, the sales tax, or whatever else; that is to say that the farmers are taxed not only on property they own, but further on values which they do not possess. While I do not wish to make any comparison with other provinces, let me tell you that we, in the province of Ontario, where we are ruled over by a conservative government,—a past-master, believe me, at the art of tax-raising: I am really convinced that no other province in the world derives as much revenue from natural resources of whatever kind—still our government never succeed in meeting expenses, despite all the taxes they impose; they always end up with a deficit.

An hon. MEMBER: Take Quebec.

Mr. BERTRAND: I intend mentioning later some of the taxes that must be paid. Very often the government sidesteps the responsibility of collecting the tax directly and acts through the county council. To-day our county councils are recognized as being collection agencies for the political machine at Toronto. This is so far true that the Ontario farmer must pay to the province, not directly but through the county council, 20 per cent of the cost of construction and upkeep of provincial roads; we must pay 50 per cent of the construction of county roads, and 70 per cent of the cost of all township highways. Furthermore we must bear the entire cost of the administration of justice. This administration is in the hands of the provincial government, but the bill is sent to the county council which collects from the ratepayers and pays the bills. We must pay our share of the cost of administering the Mothers' Allowance Act, an excellent piece of social legislation, which I would be the last man to criticize. However, we bear a part of the cost of this tax, as also of the Old Age Pensions. We pay for the protection of children, for treatment given under the Hospitals Act, for primary and secondary schools, for school grants, and for the general administration of the municipalities and counties. Apart from that we must contribute towards debentures and the extinction of the local debt. The farmers bear the largest share of this burden of taxation.

Consequently it is little wonder that the farmers cannot stay on their land. The older generation try to hang on just as long as they can; but the youngsters are far less attached to the soil. What makes the oldsters try so hard to cling to their farms is that they have given 20 or 25 years of their lives to unceasing efforts in cultivating the land and striving to rid it of encumbrances. If during the last few years this older generation of farmers have succeeded in paying $2,000, $3,000 of $4,000 towards the settlement of their indebtedness; if to-day they find themselves so burdened with taxes that they cannot pay these taxes and their interest, and still earn a living, they at least do all they can to hold on to their equity, so as not to lose what they earned in years gone by.

But the new generation, not having given so much effort to the farm, are infinitely less interested. There you have one of the reasons why our young farmers are drifting into our cities and swelling the ranks of the unemployed. There is nothing surprising in the fact that from the month of September, 1930, to to-day, the number of unemployed rose from 117,000 to 300,000. The Conservatives cannot deny these figures now.

Mr. DORION (Translation): Did not the same conditions exist before?

Mr. BERTRAND (Translation): I might say to the hon. member for Quebec-Montmorency (Mr. Dorion) that if he compares the

present prices of agricultural produce with those of last year he will be ashamed of his remark.

In conclusion, Mr. Speaker, all I have to say is simply this: If the Conservatives really believe that agriculture is the foundation of our entire economic system; if they really believe that Canadian prosperity depends on that class who produce the necessaries of life; if they believe that the prosperity of our country can only come through the prosperity of Canadian agriculture, then it is high time to make an about turn: let the prices of farm produce increase, let there be a reduction in the other necessaries of life. At the present time there is no economic balance; the situation is so utterly unequal that the farmer is getting beyond his depth, while the other classes of the community, who are protected, can still enjoy the fruits of their labour and safeguard the value of their property. Is that a proper balance? Is that prosperity? Before resuming my seat I make a special appeal to the hon. Minister of Agriculture (Mr. Weir). I say to him that this class must obtain something; it is absolutely necessary. Since the prices of their products are determined by world markets and we cannot increase them, for we must compete against other countries, then the goods farmers need must be brought within their reach and not be protected by fictitious tariffs which only result in creating enormous wealth, for a few captains of industry, from the sweat and toil of the farmer.

Mr. J.-A. VERVILLE (Lotbinière) (Translation): Mr. Speaker, I shall avail myself of this opportunity to discuss certain items in connection with agriculture and to reiterate what other speakers have stated before. It seems to be the view held by all that our farmers are to be pitied that they are at present passing through a serious crisis and that their financial situation is critical.

Mr. DORION (Translation): That is not what Taschereau says, in Quebec.

Mr. ST-PERE (Translation): Discuss federal politics. Represent this house and not the legislature of Quebec.

Mr. VERVILLE (Translation): We had hoped that with the change of government all our farmers would be happy after eight or nine months of a new administration. They are not. People in the country complain. We were told in the course of the debate on the address in reply to the speech from the throne, that we spoke too much of butter, hens and eggs. We shall, sir, never speak enough, because our opponents made an abuse of it last summer. Those who accepted everything they were being told as if it were the word of the gospel, are inclined to say to-day: we were deceived, the market has fallen through. I ask the government whether it is possible for them to raise our people's morale and prevent market dips as took place last week, 10 cents per week is too much.

The fact remains that, to whatever class we belong, we depend on the farming classes. Whether we be lawyers, doctors, merchants or anything else, we acknowledge that the farm is the foundation of all our institutions, and when you disturb it—you may threaten it to win elections—you disturb the vital parts of our economic structure.

If you do not fulfil your pledges to them, it will be your condemnation; at present, they are suffering; but beware of the future.

Have conditions improved since last July? I simply put the question and leave it to you to answer. Our people under the spell of fine pledges, splendid speeches delivered in public, changed their allegiance, thinking perhaps, that conditions would improve. Have they improved?

Mr. SAUVE (Translation): Things were quite bad.

Mr. VERVILLE (Translation): Not so bad, but it is worse to-day. Those who changed their allegiance hoped that in doing so an improvement would take place. They now find that conditions have never been worse.

The question under consideration has been debated at length, I do not wish to scrutinize all the arguments that have been so well discussed in the house. May I, however, submit for the consideration of the house, certain suggestions although not new—they are inspired by excellent motives—they should nevertheless help the government in drawing up legislation which will help the farmers. I am aware that the government's intentions are the very best, I therefore do not wish to be unfair towards them. Their intentions are good, but they move too slowly. I do not mean that they are lazy, but the measures are slow in coming. I admit the government's good intentions, however, may I ask that they expedite matters as our people are in distress and the blame falls on the government, especially when the government contends that the depression was due to the King administration, now that they are in office what are we to expect.

May I, sir, make certain suggestions to the house, which are very simple and will be readily understood, they have been prompted by the needs of the farmers of my riding. My constituents have the same needs as those of other ridings, their needs are those of the farming class.

I know that the government recognize that there is a wound, a sore spot which they seek to heal, they have been seeking a remedy for the last nine months. Let them apply the remedy which will permit us to tell the people: The government which you have elected have found a cure. The government have no further need of seeking a panacea.

I wish to make known certain facts that I have observed in my riding and which, I trust, will serve, together with others that have been brought to the attention of the House, to solve the difficult problems which beset the government.

You are aware that, for ever so long, in fact it has never been otherwise, the farmer lives on the products of his farm, in some districts in Quebec, however, he also seeks outside the limits of his farm additional means to meet the needs of his family. He depends on his farm but to some extent on his sales of pulpwood as a side line. For the last few years, sir, the pulpwood industry has gone down and the reason given, is that our pulp mills have to compete with large foreign concerns, this obliges the merchant to put in the market a No. 1 product. Such is the situation. Our people are willing to do almost the impossible to supply the market with a product of superior quality, however, they must secure returns commensurate with their efforts. If the government are in earnest, if they really intend to help farmers, why not, while enacting measures to better the lot of large concerns for whom I have great respect and whose prosperity I wish to further, consider also the lot of those who are operating on a small scale, in the pulpwood industry. If in earnest, they will act immediately, if not, they will continue as they have done for the last nine months, that is do nothing.

In 1927, sir, the Liberal government enacted the Farm Loan measure and established in each province a board to look after the administration of the act and carry out its provisions. Why was this beneficial act passed? You all know why. Following the after-war depression, the disorganization of business, the facility with which our farmers had recourse to the Bankruptcy Act, there came a time when our farmers could no longer secure credit. The act of 1927, intended to help the farmer, had its good side. It was a new measure, a tentative one, which therefore lends itself to improvement. We gave it a trial. You are aware that following the bankruptcy act—

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CRIMINAL CODE AMENDMENT

NATURE OF SPEECHES ON PUBLIC AFFAIRS TO DETERMINE UNLAWFUL ASSEMBLY

The house resumed from Friday, May 1, consideration of the motion of Mr. Woodsworth for the second reading of Bill No. 19, to amend the criminal code.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, in the few minutes at my disposal the other evening I was attempting to show the conditions which exist in some of our Canadian cities which have led me to introduce this amendment. I had referred to a statement which appeared in Toronto Saturday Night which referred to the Toronto police as follows:

> They have attempted to suspend the laws protecting free speech and free assembly in the case of a band of gentle idealists known as the Toronto branch of the Fellowship of Reconciliation.

Later on Toronto Saturday Night speaks of the sixty-eight professors, lecturers and instructors of the university of Toronto who declared that attempts to nullify or restrict one of the proudest heritages of the British people, that is, free speech, were shortsighted, inexpedient and intolerable; in the opinion of Saturday Night they were worse than that—they were criminal. I referred also to the representations on behalf of the Fellowship of Reconciliation which had been made by Doctor Salem G. Bland. I will quote again one sentence, as follows:

> What the Fellowship of Reconciliation does protest against is that a policeman, high or low, should take the law unto himself and decide in advance whether a meeting is going to be lawful or not. What right has he to judge beforehand?

Rabbi Eisendrath said:

> Nor can any rectification of the present attitude toward our own society content us unless the same liberty be guaranteed to the humblest and most helpless, the most friendless of our fellow-citizens, however mistaken and unpopular his views may be.

I mentioned the interference with certain groups in Toronto during the last elections, which led Colonel O. M. Biggar to write as follows:

If these—

Referring to certain allegations:

—are true it would appear that there has been established in Toronto what can only be properly described as a police tyranny entirely outside the law, and that they should be true would be incredible apart from the absence of any satisfactory denial or explanation of the allegations made by Mr. Cohen in his previous communication. The real question raised by these and Mr. Cohen's present letter is the question whether in Toronto the police are enforcing the law or are persecuting persons who hold opinions of which they disapprove by the confiscation of printed matter found in their possession, by physical violence, by the misuse of licensing powers, and by threat of the institution of criminal proceedings for which there is no foundation.

The response made to this letter of Colonel Biggar's is typical of the attitude of the police. It was stated that the police were apprehensive of a serious breach of the peace and a charge of vagrancy was laid against one man. The police statement is rather curious, being as follows:

When Ewan appeared in the police court the charge was withdrawn upon his stating that he was leaving the country for Europe on the following day. I do not know whether vagrancy was the proper charge in this case, or not. Probably one of the subsections of the vagrancy section would apply, but I am quite sure the charge of obstructing a police officer in the execution of his duty, or a breach of the city by-law would have been appropriate and that in this case Ewan was most generously dealt with by being permitted to go on his assurance that he was going to Europe.

This statement by the police officers themselves would go to show that they wanted to get rid of this man; they thought him undesirable and they considered the meeting which he was addressing to be an unlawful assembly. They were willing to charge him with vagrancy, and if that charge was not good enough, they thought they could substitute for it one of obstructing a police officer.

Several years ago a conviction against Harvey Murphy was appealed. On September 12, 1929, Mr. Justice Raney quashed the conviction and ordered the police to pay the costs. In delivering judgment, Mr. Justice Raney said:

One cannot help from reading the evidence but be impressed with the view that this police court case was the outcome of an attempt to hold a meeting by people who call themselves communists. If there was any offence that was the offence . . . . what disturbance was there except that created by the police? . . . I have been referred to no authority which makes refusing to move when instructed by a police officer an offence under the criminal code.

There are certain ways in which the police may proceed; at times they may insist that people move on, but I submit that attention should be paid to this decision of Mr. Justice Raney, that it is not a crime under the criminal code for a man to refuse to move on when instructed.

The police of Toronto are not the only ones who have adopted a very highhanded attitude in this regard. I should like to read a few extracts from an article which appeared in the Montreal Gazette of April 6, as follows:

Police heads in Montreal are seeking within the ranks of their subordinates for three detectives against whom warrants have been issued charging common assault.

The article continues:

The warrants arise out of a suspected communist meeting, and out of "communist literature" which, when dropped by the small boy who was thought to be carrying it, oozed out onto the sidewalk in yokes and whites of eggs.

And again.

For some time a group of young people, interested in current events, social movements and books, have been gathering in private homes under the name of "The Saturday Night Club." There they discussed everything under the sun, agreed and disagreed with one another, and listened to speakers expound their specialties.

And in conclusion:

The nature of the Saturday Night Club, which was suspected of communist activities, is best indicated by a partial list of speakers who have addressed it. Among them were G. H. Corbett, secretary of the Society for the Protection of Women and Children; Rabbi Stern, of the Temple Emmanu'El; Mrs. Kensett of the Children's Bureau; H. S. Ross, K.C., Doctor Silverman, of the Mental Hygiene Clinic; C. P. Rice, and A. Heaps, M.P. for Winnipeg North.

It does seem ridiculous that the police of Montreal and the detectives who are more or less under their direction should not only undertake to supervise public halls but should actually maintain a system of espionage with regard to private homes. In this particular case a boy who was delivering eggs to the home was actually maltreated by the police, and action was taken against them. When private homes are put under surveillance like that, it seems to me it is time some further action is taken.

Not only have we this attitude on the part of the police in eastern cities, but the western police are beginning to copy their methods. I hold in my hand a copy of the

Star-Phoenix of Saskatoon in which there is a despatch from North Battleford under date of April 13:

Claiming that there was too much talk of force, revolution and bloodshed in the offing, Chief of Police D. Felker on Saturday placed a ban on meetings of the North Battleford Open Forum in the Savoy cafe here, after a sixth meeting was addressed by Magistrate J. H. Greaves.

The article goes on:

It is understood that the ban on the Open Forum meetings applies only to the Savoy cafe, use of which was granted free by the proprietor, William Burgess. As no fee was paid for use of the building, no responsible officers of the organization needed to be elected. If future gatherings are held in a public hall which is rented, an executive would have to be elected. This is understood to be the object of the chief of police, so that if future meetings contained statements which bordered on sedition there would be persons to hold responsible.

That is a most extraordinary statement. It is a most extraordinary condition of affairs when a chief of police undertakes to interfere with a private meeting held in a private hall and insists that there must be organized a society so that he can hold some society responsible for what is said. Sedition is not that kind of crime. It is the individual who commits sedition, if sedition is committed, and it is the individual who should be charged. If this magistrate were guilty of sedition, the police might have arrested and charged him with sedition, but the idea of banning a meeting in a private hall or cafe because it was not held under the auspices of some society just illustrates the ridiculous length to which some of our police are going. It reminds me of a motto which was hung up in the office of an editor of a paper in the western states at the time of the war: "We are 100 per cent Americans, so keep your mouth shut." In fact I fancy we are simply copying some of the methods of the United States, and we ourselves are becoming somewhat infected by the hysteria that has prevailed so long on the other side of the line. I should like to call to the attention of hon. members and to commend this editorial which appeared yesterday in the Ottawa Journal and which deals with the communists:

Doesn't it all suggest that a lot of this talk about communists in Canada is inspired by fright, with the fright a product of ignorance, and that, taken together, the two things are hardly creditable to the country?

A little bit further on it states:

This country doesn't want to become another United States. Over there they have got to thinking that every man who dares to express an original idea must necessarily be a communist, if not an anarchist, so much so that they have made talk a crime, and have punished people for saying things that men like Jefferson would have thought mild. It will be far better for Canada if, in these matters, we stand by the old British way.

I heartily subscribe to that. This is a clipping of several years ago from a Toronto Star editorial and it is along the same lines:

How did England handle her affairs on May day? London is a wise old town, with a very long history. She has seen centuries and generations go by and from them has learned much. In most countries riots are spoken of and dealt with as revolutions. In England, revolutions, try as they may, can never palm themselves off as anything better than riots.

And so on.

There is much to be learned in this country from the way England deals with some things—guided by an experience gained over a long period.

It would seem as if we on this continent were in a period similar to that through which England passed over one hundred years ago. The other day I was looking up May's Constitutional History and I noticed away back in 1792 the situation then was described as follows:

The government invested the doings of a small knot of democrats—chiefly workingmen—with the dignity of a widespread conspiracy to overturn the constitution. Ruling over a free state, they learned to dread the people, in the spirit of tyrants. Instead of relying upon the sober judgment of the country, they appealed to its fears; and in repressing seditious practices, they were prepared to sacrifice liberty of opinion. Their policy, dictated by the circumstances of a time of strange and untried danger, was approved by the prevailing sentiment of their contemporaries; but has not been justified in an age of greater freedom, by the maturer judgment of posterity.

I should like to come to this amendment. It is very limited in scope. I admit that it will not touch many of the abuses which I have mentioned to-night. It has really nothing to do with sedition. Sedition is dealt with under an altogether different clause in the code. My amendment is intended simply to clarify and safeguard the law with regard to unlawful assembly. The main clause of the law as it now stands in the criminal code, section 87 reads:

An unlawful assembly is an assembly of three or more persons who, with intent to carry out any common purpose, assemble in such a manner or so conduct themselves when assembled as to cause persons in the neighborhood of such assembly to fear, on reasonable grounds, that the persons so assembled will disturb the peace tumultuously or will by such assembly needlessly and without any reasonable occasion provoke other persons to disturb the peace tumultuously.

I would add this amendment which has the effect of safeguarding the general right to assemble:

Nothing in this section shall restrict or interfere with the right of all persons peacefully to assemble for the purpose of discussing or hearing any discussion upon any matter of public interest, and such persons when so assembled shall not become an unlawful assembly merely by reason of speeches made to them or discussion carried on by them unless—

Then I think I add sufficient safeguards:

—unless the general nature and character of such speeches or discussion would be likely, in the opinion of firm and reasonable persons, to cause an immediate breach of the peace.

The police in the instance to which I have referred were not able to prove that there was any likelihood that there would be caused an immediate breach of the peace. They simply did not like the particular group of people and they said that they could not hold a meeting and that if a meeting was held, it would be called an unlawful assembly, An assembly ought not to be called unlawful unless there would be an immediate breach of the peace. That is clearly the intention of the law. Further, whether or not this assembly would be unlawful, is to be judged not by the utterance of a single word, but rather by the nature and character of such speeches. I think that is the rule that is generally applied: that you are not to judge a man by some isolated word he may use; you must base your judgment upon the general nature and character of the speeches. I may say, for the benefit of my lawyer friends who may be interested, that that phrasing is in accord with the words used in the summing up of the judge in the case of Rex vs. Burns, 16 Cox C.C. 355.

Further:

Such speeches or discussion would be likely, in the opinion of firm and reasonable persons—

I do not know whether you can find those firm and reasonable persons in Toronto, although I would make an exception in the case of the hon. member for South Toronto (Mr. Geary), who is sitting opposite. I am quite willing to trust myself in his hands. But when it comes to some of those who are on the bench or the police force, I am not very sure that I should feel that I could so entrust myself. I might say that this phrase, "firm and reasonable persons" is an almost verbatim reproduction of a phrase used in the judgment in the leading case of Rex vs. Vincent, which is cited in Crankshaws's Criminal Code, fifth edition, pages 108-109.

I do not think it is necessary for me to add anything to the case which I have presented. Let me repeat that this amendment has nothing whatever to do with sedition, and that it is very limited in its scope. It seeks simply to prevent some of the abuses which have grown up in the last few months, owing largely, I think, to ignorance and hysteria on the part of certain individuals in this country. As the side note to the bill states, and I cannot put it in better words, it is intended simply to provide a safeguarding clause to ensure that the general nature and character of speeches upon public affairs must be the ground for regarding any meeting unlawful. I cannot very well see, Mr. Speaker, how the house can refuse to accept an amendment of this character.

Mr. R. B. HANSON (York-Sunbury): I desire to make a few brief observations on the subject matter of this bill. I impute no improper motives to the hon. gentleman who has fathered this proposed legislation (Mr. Woodsworth). He has stated to us that the amendment is very limited in its scope, and that it is his desire to clarify and to safeguard the law as it now stands. I submit to you, sir, and to the hon. members of this house, that the law as it now stands is perfectly clear and needs no clarifying, and further, that the privileges of any honest citizen in this country are to-day amply safeguarded under the existing provisions of the criminal code.

In my humble opinion the hon. gentleman has come to the wrong jurisdiction to attain the end which he has in view. I listened attentively to him and his plea, his indictment, if I may so call it, is not against the law as it stands on the statute books to-day, but against the manner in which that law is carried out by those who are charged with the responsibility of administering it. May I remind him most respectively that the parliament of Canada is not charged with the responsibility of administering the criminal law. That responsibility rests solely upon the provincial jurisdiction, and it is to those jurisdictions that the hon. gentleman and those associated with him should address themselves on this subject.

I hold no brief for the police force of the city of Toronto, but if I had to make a decision, I would say very frankly that I am on the side of the police, and such I am sure would be the view of all thoughtful men in this assembly to-night. What is the law? The hon. gentleman has read the first part of section 87 of the criminal code relating to this matter, as follows:

An unlawful assembly is an assembly of three or more persons who, with intent to carry out any common purpose—

The intent, I remark, is an integral element of the offence:

—assembles in such a manner or so conduct themselves when assembled as to cause persons in the neighborhood of such assembly to fear, on reasonable grounds, that the persons so assembled will disturb the peace tumultuously, or will by such assembly needlessly and without any reasonable occasion provoke other persons to disturb the peace tumultuously.

I admit frankly that it is often very difficult, sometimes impossible, to prove the intent with which people may assemble together. The intent may develop only after they have assembled and have spoken, and after they have caused the damage which is sought to be prevented. To limit the law in any way, to restrict it—not to use the word "clarify"—to restrict the law even in the very mild manner suggested by the hon. gentleman would be, I feel, to take away from those charged with the duty and responsibility and obligation of preserving the peace in this country some of the powers which they now have and upon which they must lean in the discharge of their duty.

I suggest to the hon. gentleman that his proposed amendment will in no event meet the situation which he apparently desires to meet. But even if he did take away some of their present powers from the police of this country, is it desirable in this time of unrest that the arm of the law be weakened rather than strengthened? I think we should pause before we do anything of a legislative character in this house which would have the effect of saying to those charged with the responsibility of administering the law: This you shall do, and this you shall not do. If the present law is too stringent, the hon. gentleman desires it to be ameliorated on the part of those who desire—what? After all, what do those people in Toronto desire? I have not been present at their meetings and I have not heard directly what they do desire, but if I understand correctly from those who have been present and have reported their proceedings, the hand of these people is against established authority in this country. That is what it is; and would it not be a pretty spectacle in this year 1931 if parliament were to weaken the arm of the law which is to protect your home and mine, your family and mine? Certainly I am against anything that would tend toward the weakening of the authority of those charged with the responsibility of maintaining law and order. The onus in every case of proving a violation of the law is upon those who allege the law to have been violated, upon those who seek to punish someone charged with its violation; and if the chief of police of the city of Toronto or some other large municipality, having a direct sense of the responsibility that rests upon him, has forbidden the holding of certain public meetings, is it not fair for hon. members to assume that he has reasonable grounds for his attitude, reasonable grounds to believe that there will be a breach of the peace? After all, the police must be the judge. I submit that parliament, having heard the few isolated instances that were related to the house by the promoter of the bill, and knowing perhaps none of the circumstances surrounding a single one of these cases—I submit that the hon. member himself cannot have any first-hand information, no information other than what he has gleaned from the newspapers—should not assume the responsibility of weakening the position of those in authority. Not for one minute do I believe that the members of this house will be so forgetful of their responsibility to our citizenship as to do anything of that sort, even in a negative manner; because I submit, and shall presently argue, that the proposed amendment is negative in itself and will have no force and effect.

What the hon. gentleman seeks to accomplish by his proposed amendment is now, I submit, the law of this country. That being so, the bill itself is wholly unnecessary. What is the affirmative part of the bill? He proposes to add the following subsection to section 87 of the criminal code:

Nothing in this section shall restrict or interfere with the right of all persons peacefully to assemble for the purpose of discussing or hearing any discussion upon any matter of public interest—

That is the law to-day, it always has been, and I hope it always will be, and there is no need to put upon the statute books any affirmative assertion such as is contained in what I have read. The proposed clause continues:

—and such persons when so assembled shall not become an unlawful assembly merely by reason of speeches made to them or discussion carried on by them—

Men must do much more than merely listen to speeches before they come within the purview of our criminal law. That is just what the law as it now stands provides for. Section 87 deals with intent, and I submit this is a very important element in the consideration of the question. It reads:

An unlawful assembly is an assembly of three or more persons who, with intent to carry out any common purpose, assemble in such a manner or so conduct themselves when assembled as to cause persons in the neighbourhood of such assembly to fear, on reasonable grounds,—

Who are to be the judges of these grounds, —those making the speeches? Surely not.

Those in authority on the ground are charged with that responsibility and they must act, if, in their judgment on reasonable grounds, the position has become such that there is danger of a breach of the peace. I feel confident that this house will never do anything to impair the authority and power of those charged with that responsibility. The part of the amending clause that I have quoted, is, I submit, the criminal law of Canada to-day, and therefore this is wholly unnecessary. But the hon. gentleman, in language which apparently he has obtained from some legal decision, adds that there shall be no restriction—

—unless the general nature and character of such speeches or discussion would be likely, in the opinion of firm and reasonable persons, to cause an immediate breach of the peace.

"Immediate breach of the peace," that is to say, the hon. gentleman would lock the barn door after the horse is stolen—he would allow the people to meet, say anything they like, and after they have caused an "immediate breach of the peace" an indictable offence would be committed. In my opinion that is far too limited in its scope. We had better leave section 87 as it is, and not wait until there has been a breach of the peace before we bring those who assume that position within the ambit of the criminal law. I do not believe for a minute that on sober, calm reflection hon. members will be willing to vote for anything of that character.

Let me read very briefly what Roscoe in his work on criminal evidence says in regard to proof of unlawful assembly:

Proof of an unlawful assembly. Any meeting whatsoever, of great numbers of people, with such circumstances of terror as cannot but endanger the public peace, and raise fears and jealousies amongst the king's subjects, seems properly to be called an unlawful assembly.

If in the city of Toronto and in other places in the Dominion to which my hon. friend has referred the meetings which have been held there have not been of the character described by Roscoe, then I tell him there has been an excess of zeal on the part of those in authority. But that is no reason why this house should in a proper case take away from the authorities the power which is now theirs of acting properly within their discretion. Rather should my hon. friend, as I said a moment ago, appeal to those in authority over the police in the city of Toronto. I understand that the local police commission is composed of reputable men, first class citizens. Surely if my hon. friend has a good case he will not be denied a hearing in "Toronto the good." Surely they are not going to take away the liberty of the subject. What I fear is happening in Toronto, and is the desire of certain people there, is not liberty of speech but licence. If that be so, then I say, more power to the arm of the law, exercised with proper consideration and with reasonable care for the liberty of the subject.

For the reasons given, Mr. Speaker, I am opposed to this bill. The law as it stands is quite clear, and in support of this I could cite judicial decisions from now till midnight, but I will not inflict them on the house. I submit there is no necessity to clarify the law, the liberty of the subject being already well safeguarded.

Mr. G. M. McDADE (Northumberland): Mr. Speaker, I also am unalterably opposed to the amendment. I agree with my hon. friend from York-Sunbury (Mr. Hanson) that the provisions of the criminal code are quite adequate and do not involve any hardship on those who do not transgress them. The police authorities must enforce section 87 and the other provisions of the code. The right of every man to a fair trial has always been recognized under British institutions. As the section stands an unlawful assembly, or the members of it, would be charged with an indictable offence. That involves the right of trial by jury. As my hon. friend from York-Sunbury has said, in all criminal cases the burden of proof is on the crown. In other words, the accused is presumed to be innocent until the contrary is proven, and his guilt must be established beyond a reasonable doubt founded on the evidence. What does my hon. friend propose? That an assembly shall not become an unlawful assembly:

—unless the general nature and character of such speeches or discussion would be likely, in the opinion of firm and reasonable persons, to cause an immediate breach of the peace.

Mark you, Mr. Speaker, an "immediate breach of the peace." If section 87 were so amended, men could assemble and as a matter of fact cause a riot within five minutes. I say that this is a bad piece of legislation, to which I am unalterably opposed. We in New Brunswick do not seek legislation of this kind, and just here I should like to question the right of the hon. members for Winnipeg North Centre (Mr. Woodsworth) and North Winnipeg (Mr. Heaps) to speak on behalf of that great class of citizens, the labour element of Canada. I would far rather take the advice and counsel of such outstanding labour men in the province of New Brunswick as Mr. John S. Martin, former Labour member of the legislative assembly at Fredericton, or of Mr. Stanley S. Fleiger, of the town of Chatham, than that of my hon. friends opposite. The

men I have mentioned, I submit, represent true Canadian labour; their judgment is sound and their capacity is unquestioned.

Just in conclusion let me say as a friend of labour, as one who had the high privilege of representing this great class in the courts of the land at the time of the strike in the lumber industry on the Miramichi river, about ten years ago, and as one who, as I feel, has received the wholehearted support of this great element in my county, that this bill does not commend itself to my labour friends in New Brunswick, and I for one am opposed to it. I invite hon. members on both sides of the house to come to a realization of the serious consequences of the proposed amendment. To me it seems to introduce a very radical and drastic change in our laws, and I submit that the law as it stands at the present time is adequate to preserve to our citizens the right to assemble for all lawful purposes.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, I have listened with much attention to my hon. friend from Winnipeg North Centre (Mr. Woodsworth), and I can assure him that as far as he is concerned he is perfectly safe in my hands in Toronto or elsewhere, although I cannot say the same for his bill. As other hon. members have said, my hon. friend directed his remarks rather to the administration of the criminal law, particularly with reference to its administration in Toronto, than to the substance of the law as we have it on the statute books. The hon. member read from section 87 of the criminal code the definition of an unlawful assembly, but I would call his attention to the next subsection of that same section, which goes on to say:

> 2. Persons lawfully assembled may become an unlawful assembly if they conduct themselves with a common purpose in such a manner as would have made their assembling unlawful if they had assembled in that manner for that purpose.

I think that clearly indicates that there are and there can be, without any restriction of the law, meetings which are lawful, peaceful assemblies. That is to say, people may come together peacefully and lawfully, and may turn that meeting into an unlawful assembly by their conduct during the course of the meeting. Their conduct during the course of the meeting is not confined to physical conduct, gestures or anything like that, but I should say, embraces as well speaking and discussion, the manner of speaking and the manner of discussion. So when my hon. friend is introducing an amendment to provide that people may come peacefully to a meeting, he is providing for something which is already provided for or implied by the statute as being already quite right and proper.

My hon. friend has gone on in his bill to say that this peaceful or lawful meeting shall not become an unlawful assembly merely by reason of speeches made to that assembly or discussion carried on therein. In the explanatory note to the bill my hon. friend states, as he stated during the course of his remarks:

> This bill is intended simply to provide a safeguarding clause to insure that the general nature and character of speeches upon public affairs must be the ground for regarding any meeting as unlawful.

If that is what the bill is designed to bring into effect, certainly it is not done by the measure proposed, which provides that you shall not call a meeting an unlawful assembly, or it shall not become an unlawful assembly, merely by reason of the speeches made. It may be an unlawful assembly for other reasons; as I say, under subsection 2 of section 87 it is provided in what ways a meeting may become unlawful, that is, by unlawful conduct including speeches.

I thoroughly agree with the two speakers who preceded me that there is nothing in this bill, with some exceptions to which I shall come in a moment, which carries the law one step further than it is at the present moment. There are certain points in the bill to which my attention is directed; the first is that the unlawful conduct must cause an immediate breach of the peace. There my hon. friend is making, from his point of view, a much less drastic bill than the code as it stands. Under the present code people at such meetings must conduct themselves so as to disturb the peace tumultuously, before the meeting can be termed an unlawful assembly. It would be more difficult to convict a person of attempting to disturb the peace tumultuously than of doing something which may provoke an immediate breach of the peace. But the introduction of the word "immediate" would indicate that, taking an extreme case, if somebody deliberately instructed people as to the preparation and use of bombs and as to the method to be followed the next day in using those bombs on some public building, certainly there would be a breach of the peace involved, but not occurring until the next day. My hon. friend, however, would say that such a meeting was not unlawful because the breach of the peace which was provoked was not an immediate breach. Again, if we are to confine the unlawful conduct to speeches, no longer could one be convicted for any other

method of agitation than that of the spoken word at a meeting.

I fear these words very greatly lessen the effect of the statute as it stands now, while getting my friend no further along the path which he seeks to tread, and for those reasons it seems to me the bill should not pass. In one view, the bill means nothing and so is unnecessary, and secondly there is the other reason that we do not know what the difficulty would be if, in order to convict, it had to be proved that the words were calculated to produce an immediate breach of the peace. In addition, my hon. friend provides in this bill that the nature and character of the speeches must be such as would have a certain effect on a "firm and reasonable person." I do not know such a class of persons in Toronto or anywhere else; they are not known to the law. My hon. friend is very much safer with the words of the section as they stand, which provide that the culpable conduct must be such as to cause persons in the neighbourhood to fear on reasonable grounds. That is the law as it stands now; reasonable grounds must be shown.

My hon. friend has outlined—and perhaps this is what brings me to my feet more than anything else—the history of certain happenings in the city of Toronto. The Board of Police Commissioners is not, of course, constituted under anything contained in the statutes of this parliament. As another hon. member said, it is independent of the city council and, so far as I know, the only restriction the city council is able to impose upon the actions of the board of police commissioners is that the board has to spend only the money the city council votes for that purpose, with this proviso, that the city council has nothing to say as to the number of policemen thought to be necessary for the preservation of law and order. That is a matter within the sole jurisdiction of the Board of Police Commissioners. I am not here to defend every action of the Board of Police Commissioners of Toronto, and I may say that in Toronto there has been a good deal of discussion as to whether that board under certain circumstances was right or not. They did pass two years ago some sort of order with reference to speeches made in other tongues than English, but I fancy it must be a dead letter. It would not appeal to me as a proper regulation to be in force, and if it is in force I can only say that I have sat time and again in meetings in Toronto where the speeches were delivered in some language other than English. I do not know what has become of that regulation. I was not at home at the time of its discussion when it was first promulgated, but I should think it has become a dead letter, at least so far as my knowledge of it goes.

With respect to this band of gentle idealists referred to by Saturday Night and known as the Toronto branch of the Fellowship of Reconciliation, the names of persons I have heard as belonging to it and interested in its affairs are the names of very respectable citizens, and I do know that they had no end of a time with the Board of Police Commissioners. They were admitted to a hearing and were allowed to lay their charge and prove it if they could. About the beginning of the present year the present mayor, who became a member of the Board of Police Commissioners, undertook, with the assent of the other members of the board, to indicate the policy of that commission with regard to what is called free speech. The policy so enunciated by his worship has been generally accepted in the city of Toronto as being perfectly right: that is, that free speech, within the law and with proper respect for British institutions, British traditions and British principles, is the sort of speech that is to be allowed and encouraged in Toronto, as it probably is in every other part of the country. I mention this merely to show that if there was a misunderstanding as to what was thought by the police to be proper in the way of speech, the policy so enunciated by his worship the mayor, representing the Board of Police Commissioners, within the last two or three months, seems to have satisfied everyone as settling any controversy that had arisen.

There is no intimidation, I am advised, by the Board of Police Commissioners, of the owners of halls as to what meetings they shall allow in those halls. The owner is responsible under the code for certain happenings, and he would remain so responsible under the amendment. There is no attempt to say to him whom he shall allow in his hall, what price he shall charge, or whether there shall be a licence for any meeting. I thought it well to clear up in the mind of the hon. member for Winnipeg North Centre (Mr. Woodsworth) the situation as it exists in Toronto and as I have indicated it.

So far as my city is concerned, my hon. friend need not concern himself very much. The people of Toronto are fully alive to the menace that lies in communism. They recognize that perhaps Toronto is the centre of communistic activity in Canada; at least, I am told that Toronto is its headquarters.

The people of that city realize that and will watch carefully. But they are not an unfair people; they do not propose to have the Board of Police Commissioners act outside the law. Neither do they wish to restrict in the least that freedom of speech so eloquently discussed by my hon. friend. Freedom of speech is not licence; it must be within the law—the law as it is laid down in the statute books or, it may be, the common law. And it is not asking too much, I think, when I ask the house to agree with me that freedom of speech must imply that those using that freedom are to use it with respect for British traditions, principles and institutions. That is what we are striving to enforce in Toronto. We are not troubled to any great extent in our administration, and any difficulty we have we believe we shall work out of satisfactorily.

I do not believe that on one construction this proposed section would add anything to the criminal law. On the other view, if we enact anything about the opinion "of firm and reasonable persons," something as to utterances that would cause an immediate breach of the peace, I do not know on what principles you would direct the jury as to whether or not the onus had been proved or the defence made out. It would be introducing something new, something uncertain, to which I am not prepared to accede. For these reasons I do not believe that this bill should pass, and I shall vote accordingly.

Hon. PETER HEENAN (Kenora-Rainy River): I am in favour of this measure because of the experience I have had throughout Canada during the last ten years. As I read a few days ago the bill submitted by the hon. member for Winnipeg North Centre (Mr. Woodsworth) I take it that meetings which would be a probable cause of immediate trouble he would not be in favour of. But I rise mainly to reply to the remarks of my hon. friend from York-Sunbury (Mr. Hanson), who I see is smiling; because just as I was leaving the chamber a little while ago he was making a statement to the effect that the people whom it is the object of this bill to relieve were men whose hands were against society. All I have to say in that regard is this, that these very same men and women who are now pictured as having their hands raised against society were pictured during the last election as reasonable Canadian citizens who had the misfortune to be unemployed, and for whom the government of that day would do nothing. These very people were collected to go around with white labels on the lapels of their coats in order that they might be recognized as good Canadian citizens unemployed, for whom the government of that day would do nothing at all. But now it appears they are undesirables; and the very men who congregated these people together for election purposes now wish to deport them and will not give them permission to hold meetings.

Mr. TURNBULL: Where did that occur?

Mr. HEENAN: It occurred in the home town of my hon. friend, in Regina.

Mr. TURNBULL: The people who wore those labels put them on themselves.

Mr. ERNST: I rise to a point of order. The hon. member is attributing to those on this side something they never did. No one on this side attacked any unemployed.

Mr. HEENAN: Quit quibbling now.

Mr. ERNST: I am not quibbling.

Mr. HEENAN: Hon. gentlemen do not like to hear this, Mr. Speaker; but, as I have said, these men were collected together in Regina and in Winnipeg also.

Mr. DEPUTY SPEAKER: Order. It is now nine o'clock, and the house will revert to the motion under consideration at six o'clock.

SUPPLY—AGRICULTURAL CONDITIONS

AMENDMENT TO MOTION OF MINISTER OF FINANCE

The house resumed consideration of the motion of Mr. Bennett for committee of supply, and the amendment thereto of Mr. Brown.

Mr. VERVILLE (Translation): When the house rose at six o'clock I was commenting on the Farm Loan. I stated that in 1927, the Liberal government of the day had a measure enacted so as to help the farmers to develop their farms by means of loans. I admire our banking system. It has been rendering great services to our people. However, it will never answer the wishes or the needs of the farming classes, it was not established for that purpose, and the government realized that fact. Our farmers had to be assisted.

During the after-war depression, and the disorganisation of business which followed, farmers availed themselves, extensively, of the Bankruptcy Act, which was placed at their disposal to enrich certain people who were in that business, and laid hands on whatever assets the farmers might have, whereby the creditors and merchants, were left without anything on which to fall back. Many a time efforts were made and rightly so to amend

this act, I shall again refer to the subject shortly.

The Farm Loan Act was a new measure, it was possible to amend and improve it. It did not quite answer the end for which it was enacted. Among the reasons which prevented it being popular as it should have been, I shall point out three which should, at present, strongly appeal to the government. First, the 6½ per cent rate is too high; secondly, the fees in connection with a loan are too high; thirdly, the 5 per cent required from the borrower, as board fund, does not appeal to the farmer.

Mr. DORION (Translation): Who is responsible for this act? Who had it passed?

Some hon. MEMBERS (Translation): You are responsible.

Mr. VERVILLE (Translation): I respectfully suggest that if the government—who have the interests of the farming classes at heart—wish sincerely to better the lot of farmers, there are other means than having subsidies of millions of dollars voted. There are certain considerations which must be kept in mind, and in this respect, I wish to make some suggestions. I shall willingly answer questions. There is an hon. member on the government benches who has a resolution on the orders of the day, the purport of which is to reduce the rate on interest from 6½ per cent to 5 per cent. I wish to congratulate the hon. member for Richmond-Wolfe (Mr. Laflèche) for his resolution. It meets my wishes and those of the entire country, and for this reason the government will probably accept it. This change has been asked in the past and it is also being requested this year. I personally make the same request. The provisions of the Act are known, they have been taken advantage of, if, however, they were made more easy they would become more popular. This could be done by reducing the rate of interest from 6½ per cent to 4 per cent, not 5 or 5½ per cent but 4 per cent.

It is true that the Quebec government, in its kindness and solicitude for the people, agreed to pay what should have been the federal government's share, nevertheless it still remains a Dominion Act. Have some pride, assume the responsibility of your act and take up your share of payments, in connection with legislation of which you should bear the burden, and shoulder the whole responsibility.

Mr. DORION (Translation): You have. . .

Mr. VERVILLE (Translation). You may put that question in half an hour from now. Moreover, the fees necessary to obtain a loan are too high. I know this through experience because I am in the business.

Mr. LAURIN (Translation): Your fees are too high.

Mr. VERVILLE (Translation): My services are free. That is why I am a poor man —and I wish to remain so—I give my services free to my fellow-citizens. The fees necessary to obtain a loan are too high I said. There are occasions when the board is most unreasonable in its demands and the farmers are unable to meet them. Let the government acquit these fees and strike out the clause which forces the borrower to pay 5 per cent on the amount loaned to him from the funds of the board. The farmer who borrows is not a lender, but a borrower and if he is required to contribute 5 per cent to the funds of the board, he strikes a bad bargain. Seeing that the government has established the Farm Loan Board to assist farmers, let them not follow the example of banks. It should not be looked upon as a paying business. The banks look after their interest, but the Farm Loan Board is a different institution, it is a government affair, it was enacted to help the farmer. Let us lend him a hand, and let us never demand from the farmer who borrows $5,000 to return 5 per cent of that amount.

Mr. DORION (Translation): Why did you not bring that matter up last year?

Mr. VERVILLE (Translation): These three considerations are the reason why the present act, although in force, is not as popular as it should be. Let the government, which made so many pledges which they cannot realize, adopt the amendment that I have suggested, it would be a splendid move.

Moreover, the Bankruptcy Act stands as an appendix to the previous act. The former is indeed a fine piece of legislation. Like many others, I ask—my only aim being to serve the farming community—that the farmers be deprived of the facility which is given them of having recourse to the Bankruptcy Act. In the past, our people called on their neighbours, their relatives or their friends, when they needed $500, $1,000 or $5,000, and they got it. Owing to after-war conditions and the present depression, no farmer is able to borrow $500, $200 not even $100 from a relative or friend; no one will advance him money. What contributed to ruin entirely the farmer's credit? Practically, it was the Bankruptcy Act. I do not wish to despoil it of its merits, for it serves its purpose. However, as far as the farmer is concerned, I ask the government—others have made that request—to withdraw from the farmer that opportunity which is afforded him of going into bankruptcy whenever he sees fit. That is what ruined his credit and forces him, at present, to beg from friends the bread needed at home.

Mr. DORION (Translation). It took you some time to discover that.

Mr. VERVILLE (Translation): There is another question. Will our opponents—who claim to be the friend of the farming class—after being responsible for the conditions under which we live and of which the farmers bitterly complain, after their deceitful pledges, try to remedy these conditions by giving away millions of dollars. I well recall, just a few years past when we were in power, they strongly criticized our experimental farms. I shall explain: there are throughout the country large experimental farms which are very useful and fulfil the end for which they were established, they have already rendered great service to agriculture. I contend that this is the time to give this kind of farm education the greatest development and publicity. Instead of establishing experimental farms in each district let us utilize those already established for experimental purposes, and let us spread farm education by establishing demonstration farms —not one but many—so that all may benefit by them.

Are you aware that, in certain sections of the country, when our farmers leave to visit these experimental farms, they act very much as if they were going to an Exhibition.

Educate our farming classes and give them the means to acquire useful knowledge. Do not oblige them to travel at much expense to themselves so as to enjoy a good dinner and see fine and healthy cattle; keep them on the farm, in their parishes if necessary, and teach them the knowledge they require, and this, at no expense to them. That was a policy advocated in the past by our opponents which they now forget to put into practice.

Mr. DORION (Translation): You never thought of applying it since 1921?

Mr. POULIOT (Translation): If the constituents of the hon. member for Quebec-Montmorency heard him, they would rejoice to note that he is not dumb.

Mr. VERVILLE (Translation): Pep, sir, is the lot of youth. My friend will become wiser with years, if not his constituents may show some resentment for his interference. If the government is in earnest—which I doubt—they have something better to do than vote millions of dollars. The people have been suffering for the last nine months and they call for markets to sell their products. If, in assuming office Mr. Bennett closes all gates, the people will smash them, however, owing to the respect they have for law, they will bide their time. Give us markets, that is all we ask. You were put in office owing

to the extraordinary pledges you gave, you promised to make us happy, do so! You promised our farmers that they would sell their butter at 50 cents per pound, find them such a market. You equally promised them that they would sell their eggs from 35 to 40 cents per dozen, show them where they can get those prices, it is your duty.

At present, potatoes are sold $1.00 per bag; in the past they fetched $2.00; find them such a market. Those are pledges which were not kept, and there is no getting out of it. Stop dreaming and come back to earth. Protection has perhaps its good side, however, we are living in too critical a time to keep on dreaming. Face the facts. Our farmers demand markets for the sale of their products.

I do not wish to delay the house, however, there are questions that must be discussed and the house is the proper place to do so. I was asked on Saturday last by my constituents, why things were at a stand-still. My reply was: We are unable to make any progress, Mr. Bennett is in office, and Mr. Bennett is the government; forward your requests to the Prime Minister. May I, sir, give the same advice to everybody: that in future all requests should be made to the right hon. Prime Minister (Mr. Bennett). The people will no doubt request that all pledges be fulfilled. May I also, sir, console my constituents by telling them: Be courageous, live in hope. Perhaps this rule of terror will not last long and in a few years a good Liberal regime may replace the present one and prove satisfactory to you.

The Conservatives, sir, never let up talking of distrust and discouragement during their election campaign. They told the people: The King government is no good, banish it, place us in office, we will look after your interests. We will revive what seems dead. For sometime past however, things have been more than ever at a standstill. We also note that no pledges were kept. It behooves any one who has a policy to submit and represents his fellow citizens, to constantly inspire them with confidence. What happened last summer? Disillusion and distrust were continuously being referred to.

The most cherished thought which a public man can harbour, is that intimate assurance of having bettered the people and of having inspired them with confidence in the administrative order. If I respect the powers that be, —the king, the government which protects me—I have confidence in them. I clearly realize that this government forgets its mission when it preaches otherwise.

In closing my remarks, may I give an advice to the leader of the government, that is: to set aside all selfishness and walk hand

in hand with the people instead of dreaming, to efficiently govern the country, by keeping in touch with its needs; to be one of the people, help them and be of some service to them.

I shall end my speech by saying: Let us endeavour to have the people love what they should love. Let us tell them: love your country, love its administration,—though I realize they cannot love those who are now in power,—love those in office when they are worthy of it, but in any case show respect for law and order.

Mr. SAMUEL GOBEIL (Compton) (Translation): Mr. Speaker, I notice that the right hon. Prime Minister (Mr. Bennett) is not in his seat—

An hon. MEMBER (Translation): He never is.

Mr. GOBEIL (Translation): I am in no way complaining; but I would have been happy to see him here and I hope that tomorrow or in the course of the next few days he will acquaint himself with the speech just delivered by the hon. member for Lotbinière (Mr. Verville), which speech levelled pointed, though quite justified, criticism at the preceding administration.

My hon. friend from Lotbinière finds fault with the Farm Loan Act. He cannot reasonably claim that the present government has had time to change the act. When the hon. member complains that the farmer who borrows money must pay exorbitant rates everybody in the house understands that he is criticizing the adminstration of the former prime minister of this country.

When the hon. member for Lotbinière speaks of our experimental farms and gives advice to the government, he is quite plainly criticizing the former regime, since the present government has not had time to make any changes as regards experimental farms. However, I can assure my hon. friend that such changes will be made before long; and thereafter our experimental farms will be of some use to agriculture.

I had no intention of taking part in the present debate; but so many contradictory, incomplete and even inaccurate statements have been made on the floor of this house that I felt it my duty as the representative of a farming constituency, to put matters in their proper light.

The hon. members of the opposition say that the price of butter has fallen very low. Quite so. Nobody denies that fact. But our friends on the other side of the house seek to lay the blame at the door of the present government. For this purpose the house has been treated to certain statements which, I repeat what I said a moment ago, are inaccurate and incomplete; some are even contrary to the true state of affairs. For instance, Mr. Speaker, it was stated that Canada had imported 2,098,379 pounds of butter during the first three months of 1931. That is a fact. But to be fair to the government and make the case more complete our friends of the opposition should have made the comparison between the first three months of 1930 and the first three months of the present year. This comparison shows that Canada, during the first three months of the year 1930, imported 24,159,568 pounds of butter.

An hon. MEMBER (Translation): This year or last year?

Mr. DEPUTY SPEAKER (Translation): The hon. member for Compton has the floor. Hon. members may not interrupt, without having first obtained his consent.

Mr. VERVILLE (Translation): We have a right to know if he means this year or last year.

Mr. GOBEIL (Translation): The comparison I have just made is between the imports of 1931 and 1930. The hon. member doubtless knows that we lived through 1930 before entering 1931.

More than that, the quantity of butter in cold storage on October 1, 1930, was 37,255,263 pounds; at the present time the total is only six million and a few hundred thousand pounds.

I suppose these hon. gentlemen can hardly restrain themselves from interrupting me again with the cry: Just the same prices have gone down. Once more I admit the truth of that statement.

Mr. Speaker, our opposition friends have stated also that from the month of August, 1930, to January 1, 1931, Canada imported from New Zealand and Australia 4,933,303 pounds of butter.

Mr. RHEAUME (Translation): Will my hon. friend allow a question? If there were such a large quantity of butter in cold storage why did you admit another four million pounds and why did you reduce the duty on Australian butter from 1·7 cents to 1 cent?

Mr. GOBEIL (Translation): If the hon. member will be patient a moment I intend to discuss that matter a little later on.

The opposition seek to make the present government responsible for the importation of 4,933,303 pounds of butter between August 1, 1930, and January 1, 1931. These hon. gentlemen are well acquainted with the New Zealand agreement, which expired only on October 12, 1930. The data for the two

months of November and December, 1930, the only two months that they can properly count as coming under Conservative administration, reveal that during this period butter imports reached the total of only 509,664 pounds. So our hon. friends are not fair when they upbraid the Conservative government for having imported 4,933,303 pounds of butter; but under legislation for which the Liberal government is responsible 39,000,000 pounds of butter were brought into this country.

A moment ago I said that I intended answering the question asked me by my hon. friend from St. Johns-Iberville (Mr. Rhéaume). The hon. member says that the Conservative government reduced the duty on Australian butter. To my knowledge, Mr. Speaker—I may be wrong; if so, I hope someone will set me right—but to my knowledge the present administration has made no change whatever in the import duties on Australian butter. If as my hon. friend claims, rightly or wrongly, the tariff was 1·7 cents under the Liberal government, the same tariff is in force at the present time. However, so far as I know, the duty on Australian butter was 1 cent per pound under the Liberal government and is still 1 cent per pound under the Conservatives.

Mr. RHEAUME (Translation): If the hon. member will turn to page 985 of Hansard, April 27, 1931, he will find that from August 1, 1930, to March 1, 1931, the duty was 1 cent.

Mr. GOBEIL (Translation): If I mistake not, the hon. member for Lotbinière (Mr. Verville) quotes the speech he himself made to the house on April 27, 1931. I say the hon. member is mistaken; and the hon. Minister of Agriculture (Mr. Weir) can certainly tell us whether I am right or wrong.

Mr. RHEAUME (Translation): It is not the hon. member for Lotbinière.

Mr. GOBEIL (Translation): I did not mention the speech myself; it was referred to by the hon. member from St. Johns-Iberville (Mr. Rhéaume).

Mr. RHEAUME (Translation): I referred my hon. friend to information given us by—

Mr. DEPUTY SPEAKER (Translation): The hon. member for Compton has the floor. He may not be interrupted without his consent.

Mr. GOBEIL (Translation): The hon. member from St. Johns-Iberville, since he refers, himself, to his own speech—

[Mr. Gobeil.]

Mr. RHEAUME (Translation): I beg pardon; not to my own speech. If you will allow me, Mr. Speaker—

Some hon. MEMBERS (Translation): Order, order, order.

Mr. RHEAUME (Translation): I was quoting the speech made by the Hon. Mr. Stevens, Minister of Trade and Commerce.

Mr. GOBEIL (Translation): My hon. friend says he was not referring to his own speech; and I accept his word for it. In opening my remarks I said that inaccurate statements had been made here and I believe I have proved what I said. I also said that inaccurate statements had been made outside the chamber. For the last few days the hon. members of the opposition have sought to prove that the present government is to blame for the price of butter. I have in my hand here a copy of an agricultural journal, under date of April 29, 1931, which contains a letter from the vice-president of the Montreal Produce Exchange.

Mr. MERCIER (St. Henri) (Translation): What paper?

Mr. GOBEIL (Translation): "La Terre de Chez Nous," organ of the Catholic Farmers' Union in Quebec province, an association which is naturally representative of the agricultural class. The vice-president of the Montreal Produce Exchange in a letter, very able, very well-written, but which gives figures that I cannot accept, has this to say:

> May we be allowed, in passing, to state frankly, in the light of present events, that no government, whatever its colour, can bring about any improvement in the present situation; and that economic forces are much more powerful than the dictates of cabinets and of governments.

Mr. ST-PERE (Translation): That is a contrary gospel to the one you preached.

Some hon. MEMBERS (Translation): Order, order.

Mr. GOBEIL (Translation): I am allowed only a few minutes. My hon. friend from Hochelaga can make a speech after I am through, if he so wishes. I said that I did not accept the viewpoint of the vice-president of the Montreal Produce Exchange, not perhaps with any special reference to the paragraph quoted; but I maintain that the letter is merely a statement made by the butter trade in Montreal to justify their attitude. I say, with the vice-president, that the government is not to blame for the drop in prices, since the government reduced butter imports—

Mr. CASGRAIN (Translation): That is not what you said last July.

An hon. MEMBER (Translation): Opinions change.

Mr. GOBEIL (Translation): —from 38,000,000 to 6,000,000 pounds; and I claim—

Mr. ST-PERE (Translation): We do not doubt it.

Mr. GOBEIL (Translation): And on April 1, 1930, there were 12,260,322 pounds of butter in cold storage; while on April 1, 1931, there were only 6,579,626 pounds. If the Liberal government had remained in power we would have to-day as we did on October 1, last year, over 37,000,000 pounds of butter in cold storage, while under a Conservative government the total is only 6,000,000 pounds.

Mr. FAFARD (Translation): Butter was selling for 29 cents.

Mr. GOBEIL (Translation): I hear these hon. gentlemen saying that we had quantities of butter in storage, but that it was worth more than to-day. That is true. Speaking on my own responsibility I say that the Montreal trade is to blame for the drop in price. Figuring on the basis of the quantity of butter in storage at the present time, and on the certainty that no more butter will be admitted under a lesser duty than 8 cents per pound—figuring also on the present quantity of production which, though increased, is very far behind the yield claimed in some quarters —I maintain that to-day our farmers should be receiving between 25 and 26 cents a pound for their butter. Between August 1, 1930, and March 1, 1931, Canada imported 6,375,109 pounds of butter as against 28,176,634 pounds the preceding year. The vice-president of the Montreal Produce Exchange says in closing that six million pounds are sufficient to meet the requirements of the Canadian consumer.

Mr. ST-PERE (Translation): Is this vice-president a Conservative or a Liberal?

Mr. GOBEIL (Translation): I haven't the slightest idea. He is a businessman.

Mr. CASGRAIN (Translation): A pretty poor one since he mixes in politics.

Mr. GOBEIL (Translation): At any rate, we have 50 per cent less butter in storage; and the trade has been given the guarantee that no foreign butter will be admitted on payment of a lesser duty than 8 cents per pound.

An hon. MEMBER (Translation): The present duty on Australian butter is 1 cent per pound.

Mr. GOBEIL (Translation): Thanks to the former Liberal government. I say that the butter trade in Montreal is in the grip of a monopoly.

Mr. DEPUTY SPEAKER (Translation): Older members especially should be well enough acquainted with the rules of the house to know that they cannot interrupt an hon. member continuously without his permission. I ask the older members, yes and the whips too, to give a good example.

Mr. ST-PERE (Translation): Is the order meant for everybody?

Mr. DEPUTY SPEAKER (Translation): Everybody.

Mr. DENIS (Translation): I must protest, Mr. Speaker.

Mr. GOBEIL (Translation): The innumerable interruptions are pleasing to me; they show that the medicine I am giving the opposition is just what they needed.

Mr. Speaker, I say that the farmers of Quebec province, and of the entire Dominion expected the price of butter to remain at 32 cents a pound. I say that the farmers of Quebec and elsewhere expected at least 25 or 26 cents a pound for their butter. I say that the present conservative government reduced the quantity of butter in storage and made it possible for the trade in Montreal to pay the farmers of Quebec and of Canada at least 25 or 26 cents a pound.

An hon. MEMBER (Translation): Why don't they pay it?

Mr. GOBEIL (Translation): Because the trade combined to force down the price: they wanted to buy butter cheap during the producing season. When I made that statement I am not playing politics. I see the hon. member for Hochelaga (Mr. St-Père) nods his head in approval; he knows that what I am saying is not meant in any partisan way.

Mr. ST-PERE (Translation): It proves that the tariff cannot maintain the price of butter.

Mr. GOBEIL (Translation): It merely goes to show that the trade think they can take advantage of the eight-cent duty imposed on foreign butter and enrich themselves at the expense of the farmer-producer. A short while back my hon. friend reproached the hon. member for Compton with the latter's views on protection. The member for Compton is a protectionist because he believes that the protective policy is in the interest of this country. As the duly elected representative of the county of Compton I have this to say to the gentlemen of the butter trade in Montreal: If the increased duty imposed by the present government for the protection of the farmers succeeds only in protecting the trade;

if the trade believe they can do what is predicted in Montreal on William street, that butter will be selling at 35 and 40 cents this coming fall; if the trade, taking unfair advantage of the promise given them that no butter will be allowed into Canada on payment of a lesser duty than eight cents per pound, seek to speculate on the needs of the consuming public, I say that, as member for Compton, I shall request the government to make these gentlemen of Montreal see the light, by reducing the tariff from 8 cents to 4 cents if necessary, and even to demand—

Mr. BOUCHARD (Translation): Mr. Speaker, would the hon. member allow me to ask him a question?

Mr. GOBEIL (Translation): Mr. Speaker, I readily understand that the opposition—I suppose I would do the same were I in their place—want to make political capital out of the present low price of butter. But the real facts of the situation should be brought out; the farmers should know that on April 1st, 1931, there was 50 per cent less butter in storage throughout Canada than in April of last year; the farmers should know that while during the first three months of last year we imported—

Mr. VERVILLE (Translation): Nevertheless butter is selling at 20 cents a pound.

Mr. GOBEIL (Translation): If I make no mistake, even without the figures before me, I believe that during the first three months of 1930 we imported 24,000,000 pounds of butter, and only two million pounds in 1931. I repeat that the farmers of this country should know that the present government has done its duty and that the trade in Montreal could very well pay the producer a reasonable price for his butter.

Mr. Speaker, if we imported still more butter, to the tune of two million pounds, during the first three months of 1931, the responsibility rests with the defeated government, the government of the right hon. Mr. Mackenzie King. I made the definite statement, for if we had not had the Australian treaty—brought into force by the former administration—we would not have imported 2,000,000 pounds of butter, because that butter would not have been allowed to come in under a tariff of one cent per pound.

Mr. Speaker, the figures which I have just quoted—

An hon. MEMBER (Translation): Are false.

[Mr. Gobeil.]

Mr. GOBEIL (Translation): If they are false, let me tell the hon. member that the records of the Statistics Branch are false because I got my figures from that branch.

I have a few words to add for the benefit of the butter trade in Montreal. These gentlemen try to justify the drop in price by claiming that production has increased at least 75 per cent—some even say 100 per cent. I agree that production has increased by 75 per cent in some western provinces. For instance in Manitoba, during the month of March, 1931, the yield was 59 per cent greater than in March, 1930. There has been an increase of 79 per cent in Saskatchewan.

Mr. ST-PERE (Translation): In production?

Mr. GOBEIL (Translation): In production. In Alberta production increased 71 per cent. But these increases in the three western provinces, which average 75 per cent, amount after all to only a million and a half pounds of butter, not nearly enough to explain the present low prices, because the increased production has been compensated 200 and 300 per cent by the decrease in imports shown by a comparison between this year and last. Mr. Speaker, if the increase in the west amounted to only a million and a half pounds, the increase which should be noted, that in Quebec and Ontario, was only 22 or 23 per cent—in Ontario, 23·66 per cent for the sake of accuracy. Hence I maintain that the trade cannot make use of this excuse to explain away the drop in price. This increase in production does not mean that 1931 will show a gain of 75, 50 or 23 per cent; it merely signifies that we have had an early spring. It is most unfair to compare the month of April, 1931, with April, 1930. The reason of the increased production of butter in 1931 is found in our exceptionally early spring. They are trying to make the farmers believe that the gain in our butter yield in 1931 will equal our imports of 37 million pounds last year; while as a matter of fact, in the provinces of Quebec and Ontario alone, just through the slaughter of tuberculous cattle, the herds of milch cows have been reduced by thousands and thousands. I have nothing more to say on the subject. My few remarks were meant not to displease our opposition friends, but to let the butter trade in Montreal know what we think of the present prices.

Mr. ST-PERE (Translation): So they'll stop gouging the people?

Mr. GOBEIL (Translation): Exactly. And to inform our Quebec farmers that the Mont-

real trade is well able to pay them a reasonable price for their butter.

Mr. Speaker, I would like to comment on one or two remarks made by certain hon. members to your left, especially on the speech delivered by the hon. member for Prescott (Mr. Bertrand). My hon. friend reproached the hon. Minister of Agriculture (Mr. Weir) with having changed certain items in his departmental estimates. The hon. minister's estimates are increased by some hundreds of thousands of dollars; still my hon. friend from Prescott takes the minister to task for having changed the items around and for not having encouraged agriculture as he should.

An hon. MEMBER (Translation): That is true.

Mr. GOBEIL (Translation): It may be true from my hon friend's standpoint; but I beg to differ, whether it pleases him or not.

The hon. member for Prescott finds fault with the minister for having reduced by $300,000 the vote for Health of Animals purposes, by which is meant, I suppose, the amount paid out for animals slaughtered as being positive reactors to the tuberculosis test. Mr. Speaker, my view is absolutely contrary to that of the hon. member for Prescott and, speaking in my own name, I congratulate the hon. minister on having reduced this appropriation. I have said the same thing outside the house; my claim is that we have been going altogether too fast in this matter of the elimination bovine tuberculosis and during the last two years—please note that I am not criticizing the government; I couple 1930 with 1931—the slaughter of such large numbers of cattle weakened the price the farmers got for their beef. I have no advice to offer the government; it is quite evident that the hon. minister thought as I do, since he reduced the vote. I am convinced we should go a little more slowly. There is no great hurry to free all our herds from tuberculosis. I am not in rebellion against science, neither do I say the system is not a good one; but I do believe that we should go about the matter with all due precaution, and that we should see to it that the number of slaughtered animals should not be a drug on the market and prevent the farmer from reaping a decent profit from the sale of his cattle.

The hon. member for Prescott quoted some figures also concerning the production-cost of milk and butter. According to him the average cost of production in 1930 was $1.35; hence the farmer made nothing out of it. I agree with him, Mr. Speaker. But there is nothing new in that. My hon. friend from Prescott stated himself that last year the production-cost of milk was $1.35 while the producer received only 90 cents or $1 per 100 pounds. The hon. member certainly cannot blame the present government for what it cost to produce milk last year.

Mr. BERTRAND (Translation): The average for October, November and December, 1930, was 98 cents.

Mr. GOBEIL (Translation): Ninety-eight cents. On some later occasion—I do not ask my hon. friend to give the information right now; I have only a few minutes left and I must use them to good advantage—I trust the hon. member will explain how milk was being sold by the farmers for only 98 cents in November and December, 1930, and the price was higher than that in July. I suppose that butter was selling for 26 to 27 cents a pound in July and for 29 or 30 cents in November and December.

Mr. BERTRAND (Translation): I was speaking of cheese which sold for 16 cents in July and 10¼ cents in February.

Mr. GOBEIL (Translation). The hon. gentleman tells us now that he was speaking of cheese; but at the time he told us he was discussing the question of milk and butter in Canada.

Mr. Speaker, our friends on the other side take the government severely to task for not having improved the situation since their accession to power.

An hon. MEMBER (Translation): They have made it worse.

Mr. GOBEIL (Translation): And our friends wish to know why. Every reasonable Canadian knows the government have done all in their power, no matter what our friends opposite may pretend. But, Mr. Speaker, if the government have not succeeded in doing all they could have done since the beginning of the present session it is chiefly because our Liberal opponents seem to have forgotten that they are not running this country any longer. These gentlemen think they are still a part of the government. How can they expect the government to make any progress when they go on talking, day after day—

Aon hon. MEMBER (Translation): Just like you.

Mr. GOBEIL (Translation): —on matters of no import, on questions which can never contribute one iota to the improvement of the present state of affairs. Five weeks were taken up by the debate on the address, while two would have been ample.

Mr. BERTRAND (Translation): Mr. Speaker—

Some hon. MEMBERS (Translation): Order, order. Sit down.

Mr. BERTRAND (Translation): If the farmers of Compton—

Mr. GOBEIL (Translation): Mr. Speaker, if the hon members—

Mr. SPEAKER: Unless the hon. member permits a question, he cannot be interrupted. When the hon. member for Prescott (Mr. Bertrand) was speaking this afternoon, he was given a courteous hearing.

Mr. GOBEIL (Translation): I fully appreciate how difficult it must be for hon. members to realize that they are no longer in power. Fifteen or twenty years from now when the Canadian electorate will think the time has come for another change, we will probably feel the same way. The sooner our friends of the opposition realize they are out of office and are not running the country any longer the better it will be for the country. The government will then be able to improve the financial situation of Canada.

I am pleased to admit, Mr. Speaker, that our friends to your left are not lacking in courage. The hon. member for Lotbinière (Mr. Verville) must be courageous indeed to treat the subject he spoke on this afternoon. He spoke on the question of pulpwood and asked the government what they intended doing to put this industry back on its feet. The hon. member should know that the federal government has nothing whatever to do with the industry in question and cannot move a finger to improve the situation; he must know also that if this industry is in a bad way it can thank the government to which the hon. member is friendly, the Liberal government in Quebec province. In the space of ten years the pulp industry in Quebec increased by over 600 per cent. The Quebec government, in spite of repeated warnings, in spite of the protests of those who were most familiar with conditions in the pulp and pulpwood industry, the Quebec government, I say, went on selling our forests in an outrageously extravagant way.

Sir EUGENE FISET (Translation): They were leased.

Mr. GOBEIL (Translation): They were sold.

Sir EUGENE FISET (Translation): The government leased them.

Mr. GOBEIL (Translation): That is not my belief. May I remind the hon. member for Rimouski (Sir Eugène Fiset) that I put no trust in 99-year leases.

Some hon. MEMBERS (Translation): Order, order.

Sir EUGENE FISET (Translation): Will my hon. friend allow me a question?

[Mr. Bertrand.]

Mr. SPEAKER: I must advise the hon. member he has spoken for forty minutes.

Mr. PAUL MERCIER (St. Henri) (Translation): Mr. Speaker, I had no intention of taking part in the discussion this evening, however, I was so amazed at the hon. member for Compton (Mr. Gobeil) referring to certain statements which he made in his speeches, or that his friends made throughout Canada and which had an important bearing on the results of the last election that I deemed it my duty to take part in the discussion. It is in vain that the hon. member quotes figures, it is useless for him to seek them in our statistics, or in the campaign literature previous to July 28, last, there is one feature which he will be unable to explain away, it is: that in the last election campaign, especially in Quebec, the Conservative candidates insisted that it was the butter imports from New Zealand which ruined the country and that if elected, they would put an end to it, that they would negotiate a new treaty and that the butter industry would flourish again in the farming counties of Quebec. Owing to these speeches, they were elected. Notwithstanding the figures you may quote regarding trade which readjusted itself in the course of September, October and November, as a result of legislation enacted by the Liberal government, you especially pledged yourself to stop all butter imports either from New Zealand or Australia. You did not carry out this pledge. It behooves you to tell your constituents so and I especially ask the hon. member for Compton what reception would his constituents give him if he went back to his riding and told them: I have omitted to put into practice what I advocated previous to your electing me, and again I come to tell you, in May, 1931, that the King government is responsible for the unceasing butter imports to Canada.

Mr. GOBEIL (Translation): Mr. Speaker, I rise to a point of order. The hon. member for St. Henri (Mr. Mercier) has just stated that we have imported 6,000,000 lbs of butter. That is not correct.

Some hon. MEMBERS: Order, order, order.

Mr. GOBEIL (Translation): The Conservative government—

Mr. MERCIER (Translation): I welcome questions. I shall not act as you did a few moments ago when you refused to listen to those who wished to question you as to the accuracy of your figures or statements. You may put any question you wish, I shall courteously answer you. I may tell you that the importations of butter amounted to 6,000,000 lbs.

An hon. MEMBER (Translation): That is not correct.

Mr. MERCIER (Translation): These are the figures given by the hon. Mr. Stevens and reported in Hansard on April 27, last: Total, 6,375,100 lbs. Why did you allow these 6,000,000 lbs. of butter to enter Canada, when you had promised that not a pound of butter would enter the country? I am glad to hear that my hon. friend from Stanstead (Mr. Hackett) will presently take part in the discussion. He is a distinguished member of the Montreal bar, and an upright citizen as well, he will tell you how the Montreal merchants—

Mr. GOBEIL (Translation): Will the hon. member allow me to ask him a question?

Mr. MERCIER (Translation): With pleasure.

Mr. GOBEIL (Translation): Will he tell us which were the butter imports from New Zealand between August 1, and October 12, 1930?

Mr. MERCIER (Translation): I have not the figures with me here. I ask you this question: why did you permit so much butter to enter the country when you had given a pledge not to allow one pound to enter? You condemned the late administration. There is no need for me to seek in statistics to prove that 4, 5, 6 million pounds were allowed to enter the country. Why did you permit one single pound to enter?

Now, as the representative of a Montreal riding, I want to point out that our merchants of butter, cheese, eggs and other dairy products—to you who represent the county of Compton and have stated in this house that the merchants of William Street take advantage of the farmers—our merchants, I say—are honest and do their best to dispose of their butter having in mind the best interest of both the consumer and manufacturer, if they did otherwise they would show very little business acumen, because the proper method is to purchase the butter and sell it at a profit and not to store it, with the perspective that it will have to remain in storage. I wish to state again that in the metropolis of Canada the merchants are honest and work in concert with the consumer and the farmer so as to give the former his money's worth and the latter a fair price for his products, while at the same time making an honest profit. There is, at present, an overproduction in Quebec, and that is what spoils the prices. We do not export more and we still import a little, thus the market is overflooded and the purchasing power is lacking. Unemployment has increased to such an extent that no sales are possible. Last Saturday butter retailed in Montreal at 22 cents and sold wholesale at 19 cents. What was the price paid to farmers? About 17 or 18 cents, allowing a reasonable profit to the farmers. That is, sir, how the matter stands, that is the bogy that was dragged to and fro in Quebec, especially in the eastern townships where the farmers were told that ruin was staring them in the face because they were unable to sell their butter, because their cattle was being slaughtered, and the compensation was inadequate. Were the butter imports stopped? Was the testing and slaughtering of cattle discontinued since the last elections? I state that the evil is still existing. You promised to apply an unfailing remedy, to deftly put a stop to all the ills from which we suffer, and I find that you did not keep your pledges, that butter still continues to be imported and cattle to be slaughtered in the eastern townships as elsewhere.

Mr. J. T. HACKETT (Stanstead) (Translation): Mr. Speaker, I wish in a few words to answer the clear-cut question put by the hon. member for St. Henri (Mr. Mercier). When figures are quoted in such a way as to mislead so charming a gentleman as my hon. friend, I deem it necessary to explain the true meaning of their figures. I must say, Mr. Speaker, that the figures appearing on page 985 of Hansard are such as to convey a false impression to anyone who reads them.

Mr. VENIOT: They are the government's own figures.

An hon. MEMBER: Who gave them out?

Mr. VENIOT: The government did.

Mr. HACKETT: The figures were given in answer to questions put with a skill to which the hon. gentleman from Gloucester (Mr. Veniot) is assuredly no stranger.

Mr. VENIOT: I did not ask those questions.

Mr. HACKETT: At any rate, here are the facts: During the year ending March 31st, 1930, we imported 28,000,000 pounds of butter. During the year following our imports were 6,000,000 pounds; but there is this further important detail that, out of the total of 6,000,000 pounds, almost 5,000,000 entered Canada before the legislation passed at the emergency session last September came into force. That is the first point I wanted to clear up, Mr. Speaker.

But the matter does not end there. It must be borne in mind that, although butter is selling at a very low price just now, we ourselves are supplying Canada's requirements; our own Canadian producers are providing the butter needed by the Canadian consumer —something which had not happened, Mr. Speaker, since the notorious Australian treaty was negotiated by our friends to your left.

Neither should it be forgotten that our prices here are higher than in London, that they are still above the world level, and further that no more butter is entering Canada from New Zealand. This latter source, practically inexhaustible, which caused such havoc in the eastern townships, need worry us no longer. We are receiving only a few pounds of butter from Australia.

The hon. member for St. Henri stated on the floor of the house that promises had been made to the effect that no more butter would be imported into Canada from across the sea. I do not know whether he himself heard any such promises made. People are prone to some exaggeration at election time. I may tell him in reply that I made no such promises. I was well aware that a contract existed between Canada and Australia, and that we had to live up to that contract. I understand that next summer representatives of the Australian Commonwealth are coming to Canada and that our ministers will avail themselves of the opportunity thus afforded to negotiate a new treaty, a new contract. Meanwhile we are bound by the contract entered into by our friends on the other side of the House.

That is about all I had to say on this much-discussed butter question. I want to emphasize to the house that since the legislation of last September came into force our imports have been limited to some two million pounds of butter, while during the previous year we had received 28 million pounds. It is true some 4 millions came into the country during the three months immediately preceding the enacting of that legislation.

The legislation of the short session helped the farmers in another way. Now the farmers in the neighbourhood of cities can for the first time enjoy the benefits of their own markets and sell their early produce without fear of what almost amounts to unfair foreign competition, either from the United States or from the islands of the Atlantic. They are well pleased with the laws passed last September. I do not believe a single member coming from the neighbourhood of Montreal, and who has truck-gardeners among his constituents, would dare claim that these people who after all, make up a respectable and considerable portion of our farming community, are not delighted with the new laws which have proven so beneficial to them.

Mr. Speaker, I rose to point out the misapprehension which has arisen from the answers appearing on page 985 of Hansard, and which I thought needed a word of explanation, to forestall any interpretation contrary to fact.

[Mr. Hackett.]

Mr. C. B. HOWARD (Sherbrooke) (Translation): Mr. Speaker, I wish to say a few words in reply to the two hon. members who preceded me. I want to point out to the hon. member for Compton (Mr. Gobeil), in spite of the insinuations he made against the butter trade and the wholesale houses in the city of Montreal, that when the hon. Minister of Agriculture (Mr. Weir) was looking for enlightenment and advice he did not go to the farmers, but to these very merchants in Montreal.

It is easy to say that not much butter is coming into Canada at the present time, and that a lot came in last year; but after all, whether our imports are large or small, what interests our eastern township farmers is not the quantity of butter entering the country, but the price at which butter is selling here to-day. It is an absolute fact that last Monday butter was selling on the Montreal market for 22 cents a pound. It is also a fact that a year ago, when we were receiving such large quantities of butter from New Zealand and Australia, butter sold for 35 cents a pound.

For the benefit of my hon. friend from Stanstead (Mr. Hackett) I note that to-day, for the first time in ten years I believe, the price of butter is a little lower in Montreal than in London.

Another conviction of mine is that the farmer is entitled to a steady market, like other producers strive to attain. When we see the Government in power put a duty on potatoes one day and remove that duty two weeks later, it seems to me that the farmers can have no idea where they are going, nor can the merchants, nor the other citizens of Canada.

I shall add one further word in reply to the hon. gentleman from Stanstead concerning this much talked-of page 985 of Hansard. I have every confidence in my esteemed friend, but I do not believe he answered the question, nor did he point out one single falsehood on page 985. I think the figures in question are accurate. I would probably accept them in preference to a good many figures quoted by hon. members on the government side. Let me draw the attention of the hon. members for Compton and Stanstead to what I find on page 985—it is there for all to see: from August 1st, 1930 to March 1st, 1931 the present government collected a duty of 1 cent per pound on Australian butter. On 1074 we find that under the King government the tariff on this same butter was 1.70 cents per pound. So the present government is actually putting a lighter duty on Australian butter this year than we did.

And that, as my hon. friend from St. Henri (Mr. Mercier) noted a while ago, despite Conservative pledges that if returned to power they would put a stop to the imports of butter from New Zealand and Australia.

Mr. HACKETT: Will the hon. gentleman (Mr. Howard) tell the house how much butter was imported into Canada from Australia during the time the rate was 1.7?

Mr. HOWARD: The answer is that the price of butter was a good deal higher then than it is now.

Mr. J. FERNAND FAFARD (L'Islet) (Translation): Mr. Speaker, I noticed that the speeches delivered by Conservatives during the election campaign were entirely different from those we now listen to in the house. During the election our opponents claimed that no reason could justify the low prices paid for farm products. I recall that they told us then, that if Mr. Bennett was elected on July 28, the farm products would sell at a much higher price. I also recall asking my opponent in the riding of l'Islet: How could Mr. Bennett increase the prices and negotiate favourable trade treaties with other countries, with a protective policy like the one he wishes to inaugurate in this country? His answer was: Mr. Bennett will blast open markets. I also, inquired: What means would Mr. Bennett take to increase the price of butter and the production of milk? His answer was: Mr. Bennett will seize the bull by the horns. I had never heard, sir, of such a policy, and I frankly admit that I was anxious to be present at the emergency session, so as to witness on the flour of the house these new dynamiters, these political toreadors who seize the bull by the horns. I confess I was somewhat disappointed. Once here, I perceived that these great statesmen had very little to say.

I listened to the hon. member for Montmagny (Mr. LaVergne) during the election. He then proclaimed that he would see to it that the price of butter increased. Furthermore, he promised that the factories of Montmagny would open their doors and give work to about 1,500 people, thus creating a market to help the farmers and should the doors remain closed, he pledged himself to give up his mandate. I notice that he has shifted his aim, he no more endeavours to have the doors of the Montmagny mills opened but is bent on having the name of Dominion of Canada changed to the Kingdom of Canada—this will be of great benefit to the farming class of Montmagny.

I also listened to the hon. Postmaster General (Mr. Sauvé). He established a record in the last July elections by his eloquence. He carried Two Mountains without assistance, but once in the house no mention of agriculture is made. He does not even refer to the growing of couch-grass which he advocated when leader of the opposition in Quebec.

Mr. SAUVE (Translation): I am afraid that the hon. member is suffering from a delusion.

Mr. FAFARD (Translation): I recall that the hon. Postmaster General at the time stated that it was a plant which would be useful in medicine. Let him take his medicine now that he is in Ottawa. The hon. Postmaster General shows no more desire for farming, he is now a man of letters. He has shifted his aim. He is busy dismissing postmasters who disagree with him.

The hon. member for Quebec-Montmagny (Mr. Dorion) also made pledges. When he referred to hangers-on he had not in mind those of his riding. Now, the hon. member for Montmorency is in with them.

Mr. DORION (Translation): You feel lonesome when you are out of it.

Mr. FAFARD (Translation): That may be but the hon. member for Montmorency is not content with being in the manger, he feeds direct from the bag. The hon. gentleman is fond of interrupting, but let him not forget that with his small majority of 47 he cannot afford to play a big game and that we can dispense with his interruptions. He likes to be heard in this house, but those who are acquainted with him know fully well that in the riding of Montmorency there is a great Fall or Soo—

Mr. DORION (Translation): Taschereau will fall into it.

Mr. FAFARD (Translation): —the swift current of which accelerates the drop. As I do not wish to be misunderstood, I shall drop the subject.

An hon. MEMBER (Translation): It is Taschereau who is the Sot.

Mr. FAFARD (Translation): That is a chestnut, however, I think the hon. member for Montmorency is mistaken. He seems to take offence at my remarks. However, the Sault I make reference to—

An hon. MEMBER (Translation): —is the one who is just now making himself heard.

Mr. FAFARD (Translation): It is the Sault Montmorency which has been harnessed by civil engineers and which distributes light in the district of Quebec. On the other hand, the sot which the hon. member has in mind sheds no light neither in this house nor outside.

Mr. DORION (Translation): Is the one we are listening to?

Mr. FAFARD (Translation): Let us drop the subject. This government has done nothing for the farming class. What hon. members endeavour to prove is that during the Liberal regime 28,000,000 pounds of butter were imported from New Zealand or Australia, while this year only 6,000,000 pounds were imported. What interests the farmers is not so much the quantity imported from Australia, but the price they get for their butter. They were happier when they received, on July 28, 39 cents for their butter than they are to-day.

The $20,000,000 appropriated to relieve unemployment were of no benefit to rural districts because municipalities were too poor to take advantage of it, that is, to pay their quota. This means that the rural districts will be called upon to contribute their quota of this appropriation without having benefited by it through the identity card which means telling the farmers: you will be given no work as a means of earning your share of the $20,000,000, but you will be taxed for it all the same.

The repairs to wharfs in my county and that of Montmagny, for which appropriations had been voted by the house, were not carried out, this would, indeed, have been a great help to the farmers of our ridings. On the other hand, $2,000,000 were spent on the Welland canal without being not voted by the house.

I state, sir, that two-thirds of the money appropriated for public works in Quebec was not spent. In brief, there was no need to call a special session, there was no need of federal help to alleviate unemployment. The government had but one thing to do, that is, apply the money which was voted for public works in our counties. The government made a great stir over that $20,000,000, and proclaimed that, thanks to it, much suffering had been avoided throughout the country; yet, this year when conditions are 50 per cent worse, when unemployment has increased 50 per cent, that same government cuts off $38,000,000 from the estimates.

This is not rational, sir, or else I am greatly mistaken. $20,000,000 more last year to relieve unemployment, and when conditions are worse this year, $38,000,000 less toward relieving unemployment. Two million dollars is given to the city of Quebec to alleviate unemployment while one million is withdrawn also to alleviate unemployment.

The farmers, sir, are already aware of the deceitful policy of this government, this money was of no benefit to them and they realize now that they will be taxed to the tune of $20,000,000. Through its tariff policy, the government has closed foreign markets to Canadian products and has increased the price of manufactured goods which the farmer is bound to purchase. In other words the farmer sells his products for almost nothing while he pays a very high price for what he needs. Take, for instance, the price of butter, it lent itself to much controversy and the hon. member for Compton, although deploring that butter was so cheap, seemed to assure us that the farmer was satisfied.

An hon. MEMBER: Not at all.

Mr. FAFARD (Translation): . . . . Its 22 cents was a reasonable price.

An hon. MEMBER (Translation): No, no, I beg your pardon.

Mr. FAFARD (Translation): I have here souvenirs of the last election. There was a great deal of this fine campaign literature distributed all over the country. Here is a pamphlet from Conservative headquarters in which it is stated that the cost of butter production in Canada, according to experts of Macdonald College, is 39 cents per pound. So that, at present, for each pound of butter produced the farmer loses 17 cents. In the face of such distressing conditions and especially after the speeches to which we listened in the course of the last election, I thought that the government would feel very depressed and that the Prime Minister would be in his seat to hear, at least, the hon. member for Compton. No one seems to care. The hon. Minister of Agriculture, himself, is as silent as a tombstone which lies in a grave yard of broken election pledges. When information is requested, what answers do we get? None. What information was I able to gather in regard to agriculture in my constituency? I was able to lay my hands on a document, "Bull Loaning Policy" that is all I found in it. On the first page, is seen a bull without horns. It is certainly not the government's bull which the Prime Minister was to seize by the horns, according to my opponent.

The farming class received nothing from the federal government and the farmers would be in great distress, in Quebec, had it not been for the provincial government's help. To give you an idea of the outlay made to help the farmers in our rural districts, let me point out that in the counties of l'Islet and Kamouraska, in connection with roads only, the

provincial government spent $329,000. For colonization purposes we are granted between $20,000 to $25,000 per year. Apart from this, the provincial government provide funds for the building of schools, up to an amount of $1,200 per year for each school so as to help primary education in rural districts. Those amounts just mentioned were given to help the farmers of l'Islet and Kamouraska; thanks to these grants we were able to face the present crisis. This is not all that the provincial government has done. I know that, this year, in the newly settled districts of Kamouraska, Montmagny and l'Islet, the provincial government had seed grain distributed free. This is how our provincial government administer the affairs of the province. I recall having seen, at the last session, in Quebec, grants given to those who wished to drain and break their land. I know that this is a policy that many approve, and I feel certain that the hon. member for Two Mountains (Mr. Sauvé), who has always favoured agriculture, certainly approves of the measures advocated this year.

We have done a great deal, in Quebec, to help agriculture. Take, for instance, the riding of my hon. friend from Kamouraska (Mr. Bouchard), you will find there an experimental farm which was established in that county when that riding was represented in this house by the hon. Mr. Lapointe. I think, that this experimental farm is one of the first established, in the Quebec district at any rate. It is under Dominion control, admirably well managed by a man who is deserving of all our congratulations. This institution simply aims at spreading new farming methods and does not look forward to returns, but it is continuously experimenting for the benefit of the farmers. The government, however, found that while this experimenting has its good points, the farmers could hardly obtain the necessary information and keep tab on the experiments tried in these agricultural schools. The system, therefore, of demonstration farms was resorted to in all the rural districts. These demonstration farms duplicate the experiments carried out on experimental farms in the presence of the farmer who is able to benefit by them.

We also have an agricultural college at Ste. Anne de la Pocatière. That is probably why we have as representative of Kamouraska one of the best scientific agriculturists of the province of Quebec. May I mention also that, this year, the agricultural college was not forgotten. Our Quebec farmers are not so much behind the times as some may think. The Quebec government appropriated, this year, $200,000 for the agricultural college of Ste. Anne de la Pocatiere.

Who was the first, in Quebec, to foster the education of numerous agriculturists? It was the hon. Joseph-Edouard Caron, who loved farming, and had many a battle with the hon. member for Two Mountains. However, I think, that both worked to attain the same end because they were always very good friends.

Mr. SAUVE (Translation): We did not fight, we discussed seriously.

Mr. FAFARD (Translation): The hon. Postmaster never fights. Although his fight was successful on July 28.

They trained a group of agriculturists who are now spread throughout the rural counties of Quebec. These men are destined to render great services to the farming class. Not only do they teach scientific methods to farmers but they are well qualified to follow experiments which take place at experimental farms, they are there to see that the farmers of the various counties receive the grants made by Liberal or Conservative governments, they endeavour to teach the farmer and impress on him that there is always a market, especially for standardized farm products. Moreover, sir, these agricultural experts are found in every county, whether liberal or conservative, organizing farming competitions which are most useful to agriculture, as they stimulate and create a certain friendly intercourse between the leading farmers of various counties; and the young men take an interest in these demonstrations.

I know, sir, that everybody is, indeed, prompted by the same motives and is desirous of helping the farming class. We, from Quebec, have much sympathy with the citizens of the west in these difficult times. They can rest assured that we greatly sympathize with them in their present day trials. We have our own troubles and we hope to overcome them, thanks to the energy which characterizes the farmers of Quebec.

One suggestion I would like to make to the house. It is the fostering of small industries in our rural districts in order to decentralize industrial towns. There is an excellent instance of this decentralization in my county. In my native parish there exists an industry known as the L'Islet Foundry which specializes in stoves, heating system equipment and baths with an up-to-date enamel factory attached thereto. Thanks to this industry, the neighbouring parishes of l'Islet send the surplus of their population to these factories which gives them an opportunity to earn an honest living.

One hears a great deal about the advantages of our banking system. My connection with banks is not sufficiently extensive to consider

myself as a banking expert. Generally, when I deal with banks it is to negotiate a loan. I acknowledge that our banking system is a safe one but it also claims all the savings of our rural population, centralizing them in large cities—I noticed that in the United States—I do not like to quote the United States as an example or to copy their institutions, because I believe that our banking system is superior to theirs—I noticed, however, in the United States a banking system established with the aim of assisting the depositors and encouraging local industries. The depositor receives a reasonable interest for his money, however, what is most noticeable, is that banks cannot make loans outside of certain specified districts. That is, in a district like the counties of l'Islet and Montmagny, for instance, the banks would accept the savings of farmers, pay them 5 per cent on their deposits and the money could not be loaned outside the counties of l'Islet and Montmagny. This system would work splendidly here, because our farmers could place their savings—when they have any—with a sound banking institution, and feel assured that such funds will be used in industries known to them. This would prove a boon to our farmers, especially after the poor investments which have been made for some time past. I can state that within the last two years, in l'Islet alone, $200,000 were lost in unprofitable investments. This represents the savings of, at least, two generations. Widows and heads of large families, who had with difficulty realized savings, were, in the space of a few weeks, ruined by swindlers who have the gift of convincing honest people to invest money in their schemes.

Mr. DORION Translation): The Montmagny factories.

Mr. FAFARD (Translation): Their doors are still closed. They are not so prone to open as the lips of my hon. friend opposite.

I think the time is at hand, sir, when we should inflict more severe penalties on these swindlers. Only last week I read in a newspaper—I do not wish to criticize the judges or the lawyers who defend those so charged—I read that a man who was found guilty of having stolen $125,000, had been condemned to four years in the penitentiary. This means that this criminal, while in the penitentiary, will be earning $30,000 per year. On the other hand, take a poor farmer who might have forgotten his milkpail under the eaves of his house with the result that a little water dripped in; he may, when he reaches the city to sell that milk, be arrested, thrown into gaol and fined $50.

Mr. DORION (Translation): That is Taschereau legislation.

Mr. FAFARD (Translation): I am not a lawyer, however, I think, that the hon. Minister of Justice (Mr. Guthrie) could amend the criminal code.

Mr. GOBEIL (Translation): Will the hon. member allow me to ask him a question?

Mr. FAFARD (Translation): No. It will tire you out. The hon. member for Compton (Mr. Gobeil) may sit down. The hon. member has just discussed New Zealand butter; he now wishes to take up the embargo.

Mr. GOBEIL (Translation): Do you approve of it?

Mr. FAFARD (Translation): The members on this side of the house are outspoken. I shall give you my views on the Russian embargo. Everyone in this house, whether French or English Canadian, Protestant or Catholic, are absolutely opposed to the policy prevailing in Russia. Everybody is opposed to such a policy.

Mr. GOBEIL (Translation): Not the Russian policy, but the embargo.

Mr. FAFARD (Translation): The hon. member is well informed; he thinks that bolshevism comes with coal. He intends to tell us that the Russian embargo is a splendid act of the government. He was not a member of this house when we were in office and the right hon. Mr. Mackenzie King moved the embargo on alcohol. This, sir, was a shock to the gentlemen on your right; still it was not to be compared with the Russian embargo. Notwithstanding this, England buys Russian wheat, and will continue to do so, she will purchase hats from Russia and stick the label "Made in England;" the Compton people will buy those hats. Instead of settling Russian affairs, let us settle ours, those of Canada.

You have as Prime Minister of Saskatchewan one of your friends whose policy is worse than that holding sway in Russia. The exodus of our people towards the United States has been referred to. It is therefore not to be wondered at, if French-Canadians instead of settling in Saskatchewan, where they are not allowed to speak their language, or even kneel down,—barely are they allowed to bring up a family,—should take the road which leads to the United States, where at least they are given hospitality. In what country are we living? I was in the United States, at Easter, visiting the beautiful city of Manchester. Who says that Canadians do not amount to much

in the United States? The mayor of Manchester, a city half English and half French, was a Mr. Moreau and he is a credit to that city. Travel through Massachusetts and visit the towns of Springfield and Holyoke; both at their city halls and their banks you will find French-Canadians in charge. Three weeks ago, I attended mass at Barry, in Vermont, and to my great surprise the priest, an Irishman whose French was somewhat deficient, was not ashamed to give his instructions and preach in both French and English. In leaving the church I wondered why in our own country, in Saskatchewan, the children were not allowed to learn their own language and practise their religion. Yet, it was the French-Canadian race that sent out the first pioneers and settlers to that western country. When comparing conditions, I thought to myself: We are worse off than they are in Russia.

I see, sir, that my time is almost up. I wish, in closing my remarks, to state that I am acquainted with what is going on in Quebec, I know the feelings of our rural districts, I also have some knowledge of the feelings which exist in cities, and if it is true to say that the Tory government has a majority to rule over us, it is also true to state that it is always liberalism which rules in the people's hearts.

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

Wednesday, May 6, 1931.

The house met at three o'clock.

RULES OF THE HOUSE

COMMITTEE TO CONSIDER PROCEDURE IN TAKING DIVISIONS

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, on the special motion which has been on the order paper for some days I should like to move, seconded by Sir George Perley:

That a special committee consisting of Sir George Perley, Mr. Hanson (York-Sunbury), Mr. Gagnon, Mr. Stinson, Mr. MacDonald (Cape Breton South), Mr. Lapointe, Mr. Euler, Mr. Bourassa and Mr. Gardiner be appointed to consider jointly with Mr. Speaker the amending of the standing orders of the house governing the procedure to be followed in taking a division.

Those are the exact words in which the question was placed before the house.

Mr. SPEAKER: This will have to be by unanimous consent, since there is already a motion before the house.

Mr. BENNETT: I was going to ask that the first motion be dropped.

Mr. SPEAKER: By unanimous consent.

Mr. POWER: I do not think we should do this in the absence of the mover of the motion.

Mr. BENNETT: I understand that the hon. member for Labelle (Mr. Bourassa) agreed to this proposal. I do not think my hon. friend from Quebec South (Mr. Power) was in his place the other day when the hon. member for Labelle was here. Then it was only a question of setting up the committee, and I suggested to my right hon. friend the leader of the opposition that perhaps it would be advisable, in view of the duties we both have to perform, that we leave this work to others and do not have our names placed on the committee, so I think there is no question of objection. If my hon. friend thinks this will be objected to we will try to accommodate the hon. gentleman who moved the first resolution in some way. However, if it is thought desirable the motion may stand.

Motion agreed to.

BUSINESS OF THE HOUSE

ORDER OF BUSINESS FOR THURSDAY, MAY 7

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): This being Wednesday, I am afraid there will be no opportunity other than the present to speak about to-morrow's business. My right hon. friend may have in mind some provision for to-morrow which will require a motion. In that event I should like to ask him at once if he is in a position to indicate what business will be taken up to-morrow.

Right Hon. R. B. BENNETT (Prime Minister): I am greatly indebted to the right hon. gentleman for bringing up the matter, because if we are not able to make an arrangement such as I shall presently suggest I propose to proceed with the estimates of the departments which are now before the committee, taking up also the motion with respect to the General Act of 1928 for the Pacific Settlement of International Disputes, and a resolution with respect to a bill. However, if it appeals to the judgment of hon. gentlemen opposite I suggest that, with the unanimous consent of the house, we dispose of the debate precipitated by the amendment proposed by the hon. member for Lisgar (Mr. Brown). I know this was done on a previous occasion and in view of the circumstances, having regard to the interruptions in the business of the house, the estimates of

only one department are before the committee at the moment. I suggest that this procedure will expedite business and at the same time do no one any injustice. If that does appeal to hon. gentlemen opposite I would move that the standing order dealing with the matter be suspended for to-morrow and that the order of business be the continuation of the debate on the motion that the Speaker do now leave the chair, and the amendment thereto of the hon. member for Lisgar.

Mr. MACKENZIE KING: I believe that will be satisfactory at all events to the official opposition.

Mr. ROBERT GARDINER (Acadia): It will be quite satisfactory to us if we proceed to-morrow along the lines suggested by the Prime Minister.

Mr. BENNETT moved:

That standing order 28 be suspended for to-morrow, Thursday, the 7th day of May, and that the order of business be the resuming of the adjourned debate on the motion that Mr. Speaker do now leave the chair, and the proposed amendment thereto of the hon. member for Lisgar (Mr. Brown).

Motion agreed to.

ANSWERS TO QUESTIONS

Mr. SPEAKER: Before proceeding with the questions I would remind the house that under a former administration it was agreed that answers to questions should be tabled in triplicate, thus giving the member asking the question a copy of the answer and providing a copy for Hansard, with a third copy for the press. At present the practice seems to be to supply only two copies, thereby depriving the member of a copy of the answer to his question, which is a great inconvenience. I would respectfully ask the ministers to have answers to questions prepared in triplicate.

Right Hon. R. B. BENNETT (Prime Minister): In order that there may be no misunderstanding I may say that most of the answers are prepared in triplicate.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TRENT CANAL STAFF DISMISSALS

Mr. POWER:

1. Have Albert Curtis, John Allen, James Cruikshank and Arthur Pritchard, all ex-service men, been recently dismissed from the Trent canal staff?
2. If so, why were they dismissed?
3. How long have they been members of the Trent canal staff?
4. Upon whose recommendation were such dismissals made?
5. Were these men replaced by men who have seen no war service?

Mr. MANION:

1. Three of the men in question—Curtis, Allen and Cruikshank—have not been reengaged as labourers for the current season of navigation. Pritchard has been reengaged as foreman on two months' probation.
2. For continued unsatisfactory services.
3. Curtis, April, 1926; Allen, June, 1921; Cruikshank, July, 1914.
4. The superintending engineer of the Trent canal.
5. No.

*CANADIAN OIL REFINERIES—EMPLOYEES

Mr. HEENAN:

1. Has the number of employees of Canadian oil refineries been increased or decreased since last September?
2. If so, at what points?

Mr. BENNETT: I explained yesterday what the position was with regard to this question. I think it should be dropped.

Mr. HEENAN: There was a little noise in this corner of the house when the Prime Minister made his statement yesterday, and I could not hear all that he had to say. Since that time I have had an opportunity of looking up his remarks in Hansard, and I do not think the Prime Minister gave a very satisfactory explanation. He went on to say that I might as well have asked the distance to Mars, or something like that, but the question is very simple. When the Prime Minister brought down legislation during the special session with regard to the oil refineries he was able to ascertain all the information he required within twelve or at the most twenty-four hours in connection with these concerns. Since there are only four companies involved, and since there is a branch of the government whose function it is to ascertain the amount of employment and unemployment throughout the country, I think the Prime Minister could very easily answer that question.

Mr. BENNETT: I will answer the question; the government has no information.

COMMERCIAL TREATIES

Mr. MACKENZIE (Vancouver Centre):

1. How many trade or commercial treaties were in existence between Canada and other nations on July 28, 1930?
2. How many such treaties now exist?
3. How many such treaties have been denounced, abandoned or abrogated since August 7, 1930?

Mr. BENNETT:

1. Seventeen.

2. Seventeen.

3. None. The benefits of the Australian Trade Agreement Act, which had been extended to New Zealand as from October 1, 1925, were withdrawn as from October 12, 1930, in accordance with notice given April 12, 1930.

Commercial Treaties and Agreements between Canada and other Nations—

The treaties and agreements referred to above fall in three divisions:

Commercial treaties and agreements negotiated by Canada—

Convention of Commerce between Canada and France, signed December 15, 1922.

Convention of Commerce between Canada and Italy, signed January 4, 1923.

Convention of Commerce between Canada and the Economic Union of Belgium and Luxemburg, signed July 3, 1924.

Convention of Commerce between Canada and the Netherlands, signed July 11, 1924.

Trade Agreements between Canada and British West Indies, Bermuda, British Guiana, and British Honduras, signed July 6, 1925.

Trade Agreement between Canada and Australia (concurrent legislation effective October 1, 1925).

Convention of Commerce between Canada and Czechoslovakia, signed March 15, 1928.

Trade Agreement between Canada and Cuba (modus vivendi regulating tariff arrangements effective November, 1929).

Commercial treaties negotiated by the United Kingdom to which Canada has acceded—

Treaty of Commerce and Navigation between Great Britain and Japan, signed April 3, 1911. Acceded to by Canada May 1, 1913.

Treaty of Commerce between the United Kingdom and Spain, signed October 31, 1922, as modified by the Commercial Convention, signed April 5, 1927, and agreement regulating the treatment of companies, signed June 27, 1924. Acceded to by Canada August 1, 1928.

Commercial treaties negotiated by the United Kingdom and which are applicable to Canada—

Treaty of Amity, Commerce, and Navigation between Great Britain and the United provinces of Rio de la Plata (Argentina), signed February 2, 1925.

Treaty of Friendship, Commerce, and Navigation, between Great Britain and Colombia, signed February 16, 1866.

Treaty of Peace and Commerce between Great Britain and Denmark, signed February 13, 1660.

Convention of Commerce and Navigation between Great Britain and Norway, signed March 18, 1826.

Treaty of Peace and Commerce between Great Britain and Sweden, signed April 11, 1654.

Treaty of Friendship, Commerce, and Reciprocal Establishment between Great Britain and Switzerland, signed September 6, 1855.

Treaty of Amity, Commerce, and Navigation between Great Britain and Venezuela, signed April 18, 1825.

The Commercial treaties negotiated by the United Kingdom with Finland, Estonia, Hungary, Jugo-Slavia, Latvia, Lithuania, Portugal and Roumania contain provisions under which the dominions and colonies may enjoy most-favoured-nation treatment in respect of tariff rates, on the basis of reciprocity. Canada has exchanged most-favoured-nation treatment in respect of tariff rates with Finland since 1925, and with the other countries mentioned since 1928.

CRIMINAL APPEALS—DUTY STAMPS

Mr. LAVERGNE:

1. Is the Justice department aware that the attorney general of Quebec has imposed duty stamps on all appeals in criminal matter?

2. Is the government aware that those duties are collected by the provincial government and turned over to the exchequer of the province?

3. What action does the Dominion government intend to take in the matter?

Mr. GUTHRIE:

1, 2 and 3. The government has recently learned that taxes and fees of the kind mentioned have been or are to be imposed, but has not received a copy of the measure in question. The matter will receive consideration by the government in due course.

INTERIOR DEPARTMENT—RETIREMENTS

Mr. CHEVRIER:

Of the Interior employees who have been retired or notified of retirement, in each branch,—

1. How many are permanent: (a) at Ottawa; (b) outside Ottawa?

2. How many temporary: (a) at Ottawa; (b) outside Ottawa?

Mr. MURPHY:

1 and 2.

	Ottawa		Outside Ottawa	
	Permanent	Temporary	Permanent, Full time and seasonal	Temporary
Administrative	65	9	—	—
Accounts	33	7	—	—
Dominion Lands Administration.	97	49	216	90
Dominion Observatory	5	0	—	—
Dominion Water Power and Hydrometric Bureau	12	3	12	3
Forestry	28	8	360	40
National Develcpment Bureau.	76	16	—	—
National Parks	25	7	3	2
North West Territories and Yukon Branch	10	2	—	—
Surveys Bureau	91	25	—	1
	442	126	591	136

INTERIOR DEPARTMENT—BRANCHES AFFECTED BY TRANSFER OF NATURAL RESOURCES

Mr. CHEVRIER:

1. What are the names or designations of the various branches of the Department of the Interior that were directly affected by the transfer of the natural resources to the western provinces?

2. How many positions in each of said branches were abolished as a result of said transfer?

3. How many employees in consequence of the abolition of said positions were retired from the service in Ottawa: (a) on pension or superannuation; (b) without pension or superannuation?

4. Were any employees retired from any other branches of the Interior department, and if so: (a) in what branches; (b) how many in each branch?

5. How many employees were retired on the recommendation of the Civil Service Commission after an investigation, or reclassification by it in the affected branches?

6. Upon whose recomendation were the other retired employees let out of the service?

7. In making staff reductions were the instructions mentioned by the hon. the Minister of the Interior and appearing on page 718 of Hansard of the 20th April, and contained in the statement delivered to the house by the Hon. Minister, followed without any exception or departure?

8. What departments, if any, have to date undertaken to create positions for the retention of employees of the Department of the Interior that have been let out, as mentioned in the letter of the hon. the Minister of the Interior, appearing on page 717 of Hansard of the 20th April, 1931?

Mr. MURPHY:

1 and 2.

	Ottawa	Outside Ottawa—Permanent (Full time and seasonal)
Administrative	1	—
Accounts	1	—
Dominion Lands Administration	8	165
Dominion Water Power and Hydrometric Bureau	—	10
Forestry Branch	—	282
National Parks Branch	—	3
Surveys Bureau	—	1
National Development Bureau	—	—

3. 10, (a) 10, (b) answered by (a).

4. No, (a) answered by No. 2, (b) answered by No. 2.

5. All retirements that have been made have been concurred in by the Civil Service Commission.

6. Answered by No. 4.

7. Yes.

8. All departments will cooperate with the Civil Service Commission

ISSUERS OF RADIO LICENCES

Mr. TAYLOR:

1. Is it a fact that persons permitted to issue radio licences in Ontario, under the Department of Marine, must be recommended by the government member or the defeated government candidate?

2. If so, who are those permitted to issue licences in the riding of Norfolk-Elgin?

Mr. DURANLEAU:

1. No.

2. C. Vanpatter, Aylmer, Ont.; Alfred L. Rogers, P.M., Aylmer West, Ont.; Allen & Butcher, Aylmer, Ont.; Smith & Venus, Delhi, Ont.; A. R. Hotson, jeweller, Delhi, Ont.; J. W. Bannister, Delhi, Ont.; E. C. Spragge, Port Burwell, Ont.; C. H. Kaufman, Port Burwell, Ont.; S. H. Armstrong, Port Burwell, Ont.; A. M. Wicker, Westinghouse and De-Forest-Crosley Sales and Service, Port Dover, Ont.; M. Thompson, Port Dover Coal and Supply Co., Port Dover, Ont.; J. N. Schilz & Son, Port Dover, Ont.; Geo. A. Mace, The Radio Store, P.O. Box 435, Port Dover, Ont.; J. D. Caley, Port Dover, Ont.; Thomas D. Pierce, Port Rowan, Ont.; W. Howey, Port Rowan, Ont.; W. H. Jewell, St. Williams, Ont.; F. H. Ryerse, Simcoe, Ont.; Martin Bros., L. Martin, Esq., Simcoe, Ont.; W. R. Manthe, Box 373, Simcoe, Ont.; W. Kirkwood, 25 Kent St., W., Simcoe, Ont.; J. B. Jackson, Ltd., Simcoe, Ont.; Gibson Motor Sales, Simcoe, Ont.; B. W. Anderson, Box 156, Simcoe, Ont.; W. H. Abbey, Box 75, Simcoe, Ont.; R. E. Clunas, Springfield, Ont.; Mott Bros., Waterford, Ont.; Tench Bros., service garage, Waterford, Ont.

STE. GENEVIEVE-DE-BATISCAN RELIEF WORKS

Mr. DESROCHERS:

1. Did the government advance certain sums of money to the corporation of Ste. Genevieve-de-Batiscan, in the county of Champlain, Quebec, for certain works to be made by virtue of the Unemployment Relief Act, 1930?

2. If so, is the government aware that this parish compels every labourer or workingman, employed on said works, to pay to the municipal fund of said parish, the sum of one dollar from each pay that he receives, along with a written promise signed by each workingman in this respect?

3. If not, will the government inquire into this matter?

4. If the above mentioned facts are found to exist, will the necessary steps be taken, so that the money so retained by the municipality may be returned to said workingmen?

Mr. GORDON:

1. Under the Unemployment Relief Act the province of Quebec has agreed to pay 25 per cent, the Dominion government 25 per cent and the municipality of St. Genevieve-de-Batiscan 50 per cent of an expenditure of $6,000 for roadwork for the relief of unemployment in the municipality mentioned. No payments have been made by the Dominion government.

2. No.

3. Yes.

4. Yes.

EPHREM RENAUD

Mr. RINFRET:

1. Was one Ephrem Renaud, of St. Eustache, Quebec, recently liberated on parole from the St. Vincent de Paul penitentiary?

2. If so, what was the length of his sentence, and how long was he detained in said penitentiary?

3. By whose recommendation was he liberated?

Mr. BENNETT: This question was allowed to stand yesterday. It involves a matter of policy. Under the former administration questions of this kind, involving the exercise of a prerogative on the advice of a responsible minister, were not permitted to be asked. If it is the wish of the house that this rule should be changed, that is another matter, but from my reading of the authorities this is not a proper question to ask.

Mr. SPEAKER: Dropped?

Mr. CASGRAIN: In the absence of the hon. member for St. James, I should like to ask that the question stand.

Mr. SPEAKER: Stands.

NEW CARLISLE, QUEBEC, LIGHTKEEPER

Mr. MARCIL:

1. Was an investigation held before J. G. Billingsly, lightkeeper at New Carlisle, Quebec, was dismissed, and if so, by whom and when was said investigation held?

2. Who has been appointed lightkeeper?

3. What is his salary?

4. On whose recommendation was the appointment made?

Mr. DURANLEAU:

1. J. G. Billingsly was dismissed for neglect of duty on a report of the superintendent of lights as a result of inspection of the light on 19th August, 1930.

2. John Crozier.

3. $100 per annum.

4. He was appointed by direction of the Minister of Marine.

FAUVEL LIGHTKEEPER

Mr. MARCIL:

1. Was an investigation held in the case of Azuella Poirier, lightkeeper at Fauvel, Bonaventure county, Quebec, and if so, by whom and with what result?
2. If a new appointment has been made, who is the new appointee, and by whom was he recommended?

Mr. DURANLEAU:

1. Yes, by Mr. Alphonse Garon whose report is receiving consideration.
2. No new appointment has been made.

MONTREAL HARBOUR COMMISSION

Mr. BOUCHARD:

1. Is the Montreal harbour commission negotiating the purchase of the Vickers shops at Montreal?
2. If so, by whom were the negotiations authorized, and for what purpose?

Mr. DURANLEAU:

1. I am informed by the harbour commissioners of Montreal that the answer is in the negative.
2. Answered by No. 1.

NATIONAL DEFENCE HEADQUARTERS

Mr. NEILL:

1. What was the number of officers employed at the National Defence headquarters, in Ottawa, on the following dates and under the following headings: (a) on March 31, 1914; (b) on March 31, 1931; General staff, Adjutant General's staff, Quartermaster General's staff?
2. What was the number of officers regimentally employed at headquarters on these respective dates?

Mr. SUTHERLAND:

1.

March 31, 1914:	
General Staff	8
Adjutant General's Staff	18
Quartermaster General's Staff	6
Staff of the Master General of the Ordnance	10
Inspector General's Staff	2
Military Secretary	1
Total	45
March 31, 1931:	
General Staff	22*
Adjutant General's Staff	16
Quartermaster General's Staff	9
Employed under Deputy Minister	2
Total	49

*Includes Geographical Section G.S., Historical Section, Asst. Director of Signals and Cadets.

Also includes officers formerly employed under Master General of the Ordnance.

2. March 31, 1914, 3; March 31, 1931, 7.

ST. SULPICE ICEBREAKER

Mr. SEGUIN:

1. What was the total amount paid for the erection of an icebreaker at St. Sulpice, Quebec, in 1930: (a) for materials; (b) labour; (c) total cost of construction?
2. What was the name of the foreman of said works?
3. What was the amount paid to him as salary?

Mr. STEWART (Leeds):

1. (a) $1,516.73; (b) $2,481.50; (c) $3,998.23.
2 and 3. Mederic Lacombe, August 18 to September 15, $75; J. E. Robitaille, September 16 to November 15, $175.

Mr. SEGUIN:

1. What was the total amount paid for the erection of an icebreaker at St. Sulpice, Quebec, in 1929: (a) for materials; (b) labour; (c) total cost of construction?
2. What was the name of the foreman of said works?
3. What was the amount paid to him as salary?

Mr. STEWART (Leeds):

1. (a) $2,879.28; (b) $1,195.95; (c) $4,075.23.
2. Hector Grenier.
3. $235.

BONAVENTURE POST OFFICE

Mr. MARCIL:

1. Has a vacancy been declared in the post office of Bonaventure, Quebec, and if so, for what reason?
2. Was an investigation held, and if so, by whom and for what reason?
3. If the postmaster has been dismissed, would the department refund the amount paid monthly by him for a guarantee policy while he was in office?

Mr. SAUVE:

1. Yes. Postmaster found guilty of active political partisanship.
2. Yes, by Mr. Gerard Simard on account of charges of political partisanship having been made against postmaster.
3. The Department of Insurance advise that if the policy referred to is one of civil service insurance, the insured may:

(a) continue to pay the premiums and enjoy all the benefits under the policy; or,

(b) exchange the policy for a policy of paid-up insurance for a reduced amount, or,

(c) surrender the policy for its cash value.

IMMIGRATION, 1930-31

Mr. LUCHKOVICH:

1. How many immigrants were admitted to Canada January 1, 1930, to January 1, 1931?
2. From what countries were they admitted?
3. What was their racial origin? (Whether German, Polish, Ukrainian, Russian, etc.)

Mr. GORDON:

1, 2 and 3. See the statement attached.

Statement of Immigration to Canada, by Racial Origins, from January 1, 1930, to December 31, 1930.

British Isles—	
English	17,069
Irish	4,862
Scotch	8,903
Welsh	875
Total	31,709
Other Races—	
Albanian	32
Arabian	5
Armenian	27
Austrian	201
Belgian	329
Bohemian	11
Bulgarian	353
Croatian	600
Czech	246
Danish	1,184
Dutch	1,110
East Indian	80
Esthonian	83
Finnish	2,749
French	424
German	10,401
Greek	530
Hebrew	3,702
Icelandic	25
Italian	1,104
Japanese	217
Jugo-Slav	491
Lettish	33
Lithuanian	612
Magyar	3,279
Maltese	16
Montenegrin	3
Moravian	5
Negro	136
Norwegian	1,049
Persian	1
Polish	4,968
Portuguese	5
Roumanian	245
Russian	1,017
Ruthenian	8,045
Serbian	191
Slovak	2,595
Spanish	6
Spanish American	1
Swedish	1,022
Swiss	257
Syrian	67
Turkish	8
Total	47,465
From the United States	25,632
Grand Total	104,806

ROSS RIFLE FACTORY, BUILDINGS

Mr. POWER:

What are the details of the expenditure of a sum of $26,000 voted in the supplementary estimates of the session of 1931 under the heading of Removal, Ordnance Stores from Ross rifle factory buildings, Quebec — (Governor General's warrant of November 27, 1930), $26,000?

Mr. SUTHERLAND:

Main Building Ross Rifle Factory:		
Removing stores from main building and fitting up Mann store and Citadel casemates to accommodate ordnance stores	$6,250 75	
Payment to firms and individuals for trucking	840 01	
Freight on stores shipped to other ordnance depots	3,269 79	
		$10,360 55
Immigration Building:		
Alterations and fitting portions of building as ordnance stores		4,159 77
Connaught Barracks:		
Alterations to provide accommodation for a portion of the ordnance stores.		1,488 68
Test Range:		
Cost of materials purchased for construction of temporary test range at Little river necessitated by removal of buildings, etc. from test range at Ross rifle factory site		2,100 00
Deakin Building:		
Removal of machinery and vehicles from Deakin building to Valcartier-Amedee Demers—contract price		4,950 00
		$23,059 00

CANADIAN NATIONAL RAILWAYS—PASSES

Mr. VENIOT:

1. Have railway passes been issued by the Department of Railways and Canals or the authorities of the Canadian National Railways, to Mr. H. G. Boulay, defeated candidate in the county of Rimouski?
2. If so, for what reason and on what account?
3. Is Mr. H. G. Boulay being employed, either by the Canadian National Railways or the Department of Railways and Canals, or any other department, either as an investigator of the political activities of railway employees and other civil servants, or as a special agent or detective, or in any other capacity?
4. If so, what emolument or salary, including travelling expenses, has he received to date?

Mr. MANION: The answer to the first part of this question is, no, because it would be against the law for either the Department of Railways or the Canadian National Railways to give passes. The question is, therefore, hardly in order. We have not broken the law. As regards the last half of the question, the answer is, again, no.

Mr. VENIOT: The answer is quite satisfactory.

Mr. GARDINER: Before you leave questions, Mr. Speaker, may I ask the Minister of Public Works (Mr. Stewart) whether it would be possible for him to give replies to Nos. 5 and 7, which relate to his department. I see no reason why they should remain on the order paper.

Mr. STEWART (Leeds): I understand that these questions have been answered in part by the Prime Minister. They do not come exclusively under the Department of Public Works. However, I shall see that the information that properly comes from and appertains to that department is forwarded in due course.

MOTIONS FOR PAPERS

COMPENSATION FOR SLAUGHTERED ANIMALS

Mr. TETRAULT:

For a copy of all documents, letters and correspondence, in connection with indemnities to be paid by the federal government for slaughtered animals in the province of Quebec, under the system of reserved zones, since the establishment of said system; also a return showing the number and the average indemnity of the slaughtered animals by counties, and the average indemnity per head of cattle ranging from the age of one, two, three and over, for registered animals and cross-breeds.

Mr. WEIR (Melfort): I would ask, Mr. Speaker, that this motion be allowed to stand.

Motion stands.

[Mr. Sutherland.]

COMMUNICATIONS FROM SASKATCHEWAN GOVERNMENT

Mr. MOTHERWELL:

For a copy of all petitions, resolutions, letters, telegrams and other communications and documents, received by the Prime Minister, Secretary of State and any other member of the government, from the Saskatchewan government or any member thereof, since January 1, 1931.

Mr. BENNETT: Does the hon. gentleman think that all these documents are properly producible?

Mr. MOTHERWELL: The motion refers more particularly to resolutions and petitions—

Mr. BENNETT: There are a great many of these petitions.

Mr. MOTHERWELL: I am referring to the petitions and resolutions passed by the legislature and handed on by the Premier.

Mr. BENNETT: The other day I explained to the hon. gentleman that a number of these were in exactly the same form, and in some instances the government of Saskatchewan was the medium through which they were sent. Anything that is of a public character received by the various departments we will bring down, but we do not want to duplicate what is already down.

Mr. MOTHERWELL: If the Prime Minister would let it stand I should be glad of an opportunity to discuss the matter with him.

Motion stands.

PENSION TRIBUNAL

Mr. POWER (for Mr. Duff):

For a copy of all correspondence, telegrams, or instructions, sent by the registrar of the pension tribunal or the chairman thereof, or under the direction of either of the pension tribunals or any member thereof, and for a copy of all letters, telegrams or other communications sent to the registrar or chairman of the said pension tribunal by any member thereof or by instructions of any member thereof.

Mr. BENNETT: We should have a clear understanding about these matters. To answer a notice of motion covering all the papers in the world is surely not what is intended. If the hon. member would be good enough to look at the terms of the motion—

Mr. POWER: Is the Prime Minister referring to No. 6?

Mr. BENNETT: Yes.

Mr. POWER: At the request of the hon. member for Antigonish-Guysborough (Mr. Duff), I was going to ask that it stand.

Motion stands.

DEPARTMENT OF TRADE AND COMMERCE—APPROPRIATIONS AND EXPENDITURES

Mr. ROBERGE:

For a return showing the total amounts appropriated during the first session of 1930, either in the main estimates or in any supplementary, to the Department of Trade and Commerce, and also a return showing the total amount of such moneys as were expended, by provinces.

Mr. BENNETT: This is one of a long series of questions. This government cannot undertake to prepare, antecedently to the time prescribed by law, the Auditor General's report. It is certainly its duty, in answer to this order, to prepare a list showing what the expenditures are. But certainly the law does not contemplate, nor do the traditions and customs of this house contemplate, that we should anticipate the Auditor General's report and show the details of these expenditures. I take it that what is meant is, first, a statement showing the amount appropriated for the Department of Trade and Commerce, and secondly, the expenditures made by the provinces out of that amount.

Motion agreed to.

UNOPPOSED MOTIONS FOR PAPERS

PENSIONS AND NATIONAL HEALTH—APPROPRIATIONS

Mr. VALLANCE (for Mr. McPhee):

For a return showing the total amounts appropriated during the first session of 1930, either in the main estimates or in any supplementary, to the Department of Pensions and National Health, and also a return showing the total amount of such moneys as were expended, by provinces.

MAYFLOWER, N.S., POSTMASTERSHIP

Mr. TOTZKE (for Mr. Ralston):

For a copy of all correspondence, reports, telegrams, petitions and other communications to or from the Postmaster General and any other ministers, minister, or official of the government, and to or from any member of parliament or other persons or person, with reference to the service or fitness or otherwise or relating in any way to the dismissal or proposed dismissal of Leo Thibeault, postmaster at Mayflower, Digby county, Nova Scotia.

DEPARTMENT OF JUSTICE—APPROPRIATIONS AND EXPENDITURES

Mr. BEAUBIEN:

For a return showing the total amounts appropriated during the first session of 1930, either in the main estimates or in any supplementary, to the Department of Justice, and also a return showing the total amount of such moneys as were expended, by provinces.

DEPARTMENT OF LABOUR—APPROPRIATIONS AND EXPENDITURES

Mr. BUCKLEY:

For a return showing the total amounts appropriated during the first session of 1930, either in the main estimates or in any supplementary, to the Department of Labour, and also a return showing the total amount of such moneys as were expended, by provinces.

JUDIQUE SOUTH, N.S., POSTMASTERSHIP

Mr. ILSLEY (for Mr. Urquhart):

For a copy of all correspondence, reports, telegrams, petitions and other communications to or from the Postmaster General and any other ministers, minister, or official of the government, and to or from any member of parliament or other persons or person, with reference to the fitness or otherwise or relating in any way to the dismissal or proposed dismissal of John T. Campbell, postmaster at Judique South, Inverness county, Nova Scotia.

DEPARTMENT OF NATIONAL DEFENCE—APPROPRIATIONS AND EXPENDITURES

Mr. WEIR (Macdonald):

For a return showing the total amounts appropriated during the first session of 1930, either in the main estimates or in any supplementary, to the Department of National Defence, and also a return showing the total amount of such moneys as were expended, by provinces.

DEPARTMENT OF FISHERIES—APPROPRIATIONS AND EXPENDITURES

Mr. VENIOT (for Mr. Duff):

For a return showing the total amounts appropriated during the first session of 1930, either in the main estimates or in any supplementary, to the Department of Fisheries, and also a return showing the total amount of such moneys as were expended, by provinces.

SKINNER'S POND—BOAT HARBOUR

Mr. MacLEAN:

For a copy of all letters, correspondence, reports, telegrams, tenders, received from or passing between any party or parties, person or persons, Department of Government, engineers, or others, regarding the building of a boat harbour at Skinner's Pond, Prince Edward Island, during the season of 1930 and 1931.

SOCIAL AND ECONOMIC RESEARCH

MOTION BY MR. SPEAKMAN PROPOSING ESTABLISHMENT OF NATIONAL COUNCIL TO STUDY SUBJECT

The house resumed from Monday, May 4, consideration of the motion of Mr. Speakman that immediate consideration be given to the establishment and maintenance of a national council of social and economic research.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, the motion before the house, which was presented so ably the other day by the hon. member for Red Deer (Mr. Speakman) and supported by the hon. member for Winnipeg North Centre (Mr. Woodsworth), is one of those motions which perhaps result in a great deal of good, in that they bring to the attention of the house matters of importance for consideration, but which at the same time present difficulties in the way of giving immediate effect to the suggestions contained therein. I should like to compliment the hon. member who presented the resolution on the moderation of his language and on the thoughtfulness of the major portion of the suggestions presented by him. In one or two respects I find myself not quite able to follow him. I should like to suggest to the seconder of the motion that I think by the speech he delivered he must have aroused in the minds of hon. members a consciousness of sufficient reasons for not accepting the motion, and it will be my duty briefly to discuss the matter from this standpoint.

May I first, however, address a few remarks to the resolution itself. The resolution consists of several statements, in some measure purporting to be statements of fact, and then it invites the house to resolve in a certain way. I desire to point out to the introducer of the resolution that I cannot agree with the statement made in the first paragraph, which reads as follows:

> The problem of production has been largely solved, assisted greatly by the application of scientific methods and the results of organized technical research.

I cannot follow my hon. friend in that because, while great progress has undoubtedly been made in recent years, and particularly in the years during and subsequent to the great war, in the way of scientific research and in the speeding up of production by the introduction of modern methods, mechanical and otherwise, it would be folly, I think, on the part of the house or of any body of industrialists or of any commercial community or of any country, to rest upon its oars and say that the question of production had been solved. The question of production has undoubtedly been greatly advanced. It might be profitable for a moment for me to digress and to draw attention to what this country has been doing in common, I think, with nearly every other civilized country in the world, along the lines of scientific industrial research.

Some years ago the Research Council Act was passed. This was based upon an examination by a committee of the house, in 1917 or 1918, of the question of scientific industrial research, and by this act a research council was set up for the purpose of advising the government on scientific and technological methods affecting the expansion of Canadian industries and the utilization of the natural resources of Canada. Those are the broad general principles upon which the legislation is based. It particularizes by conferring on the council power:

> To promote the utilization of the natural resources of Canada.

Well, I would hesitate to say that that particular part of the research council's effort had been completely, or even measurably achieved. I believe that in this respect great progress has been made and an excellent foundation has been laid, and that we can look for some very excellent results in the future. I recall a number of researches which have been carried out successfully by the research council and with great benefit to the industry of Canada. I have particulars of these researches under my hand, but I do not wish to weary the house with a recital of them at this time; I may do so later when the estimates dealing with that department are before us. But I desire to emphasize this point, that it would be folly on our part to say that in this respect the question had been disposed of or solved. The research council is also to direct its efforts to—

> —improving the technical processes and methods used in the industries of Canada, and of discovering processes and methods which may promote the expansion of existing or the development of new industries.

This matter is in its very early stages, I might say its initial stages. A general effort is being made and considerable progress has been achieved in formulatng schemes of co-operation with industry, private corporations, and so forth, and it is hoped that ultimately substantial results will follow. Then there are the questions of utilizing waste products and the determination of standards. I wish to direct attention for a moment to the determination of standards and methods of

measurement, including length, volume, weight, mass, capacity, time, heat, light and so on. In this direction we have not gone very far. For instance, with respect to all our electrical standards we depend upon standards fixed in the city of Chicago. It is hoped and expected that as time goes on the bureau to whom has been committed this task will set up standards that are purely Canadian and that, while coordinated with the well-known and established standards of other countries, will at least be Canadian standards established by and for Canadian interests. But there again it is a work that is under way and still far from having reached ultimate achievement. There is also the great question of determination of standards of materials used in construction, such as cement, plaster, reinforcing steel, and all that sort of thing. Here again the work is in its infancy, but it is being carried forward step by step. There is a long list of other powers conferred upon the research council, but I shall not weary the house by detailing them. I desire simply to emphasize this point: we must not for a moment think that by the establishment of this research council we have, as the resolution intimates, largely solved the question of production. What we are doing and what we have done is to establish a foundation upon which we hope to rear a superstructure that will compare favourably with what has been achieved by the most progressive countries of the world in this important field of scientific research. The resolution proceeds:

> The problem of distribution, with the kindred questions of purchasing power and the exchange values of agricultural and other commodities, together with their relation to the growing problem of unemployment, are still unsolved.

Well, I confess—and my hon. friend will take this observation kindly, I know—I confess that sometimes I get a little weary of the mere statement of great economic problems. It is so simple and easy to throw into the arena of parliament or before the public a statement of a problem, but it is a vastly different thing to come forward with definite, clear-cut suggestions for its solution. We have here such problems as this, "the kindred questions of purchasing power." This problem has been before parliament, brought particularly by some of my hon. friends opposite, every session for the last ten years. It does not follow that we should not strive to solve it, but it is one that involves world conditions. It is a problem that involves the inter-activities of nations the world over, and while undoubtedly study must be given to these things, I question whether any advantage will be derived from setting up now, in addition to the powers that already exist, a new body for the study of that question.

Then we come to another clause which states:

> This—

That is, these things that I have intimated.

> —can best be done at the instance of the state and by men of scientific training.

To the latter part I am offering no objection. I think we are all agreed that men of scientific training are undoubtedly best able to cope with any great economic problem; but to say that this should be done at the instance of the state is one of those utterances which, to my mind, merely tend to shelve the question. I think my hon. friend quoted scripture the other day, and while I hesitate to embark upon that field, I recall an utterance by a prophet statesman of old who used these words:

> For precept must be upon precept, precept upon precept; line upon line, line upon line; here a little, and there a little.

In my estimation the progress of the world, the steps forward in science, industry and art, have all been on a basis of "precept upon precept, line upon line, here a little and there a little." There is not the short cut that is so often claimed in the solution of these problems by merely shuffling them off on the state. Not long ago I saw a telegram from a certain interest in which they propounded some very difficult problems, and then they suggested that the federal government should take it upon their shoulders and by some unknown method the whole thing would be solved. Suggestions of that kind are constantly being made. I would say to my hon. friend in all kindness that I do not think it is much of a contribution to the solution of a problem merely to say that this can best be done at the instance of the state. Neither, of course, would I wish to leave the impression that I think the state has no responsibility at all; before I am through I shall demonstrate this point more clearly. I do, however, challenge the practice of merely, stating the problem, and saying it is the duty of the state now to solve it.

The part of the resolution which is active is now reached:

> In the opinion of this house, the government should give immediate consideration to the establishment and maintenance of some organized body for this purpose which body might be known as the National Council of Social and Economic Research.

In the first place, as regards the matter of "immediate consideration," we could agree to

that at once; we could say we shall consider it, but that is a play upon words. But if what is meant is the immediate appointment, establishment and maintenance of an organized body, what force is there in the suggestion? Let me point this out: in the service of the state to-day, in the department over which I happen to preside, the Department of Trade and Commerce; in the Department of Public Works, in the Department of External Affairs, over which the leader of the opposition presided until a few months ago, and in several other departments, are officers of the state probably as well qualified to study and deal with these questions as any man you could get outside of the employment of the state. So far as the government is concerned, at the present time we feel that we are bringing to bear upon these problems, to quote my hon. friend's words, the trained minds, economists, that are at present in the employ of the state. May I say that I have been pleasantly surprised at the splendid qualifications manifested by many of those men when you place before them the different problems which from day to day confront a government. They are highly trained, highly competent. We are disposed as a government to approach these questions with the assistance of those trained officers of the state.

It may be permissible for me to pause for a moment to say this: I believe in Canada there is growing up within the ambit of the civil service a body of trained officials who will take their place beside the best officials of any other country with which I am acquainted. I am not at the moment claiming credit for this government, the previous government, or other governments, but since I came into parliament twenty years ago, I have seen tremendous progress in the stabilization and standardization, if I may so use that term, of the efficiency of officers of the government. It would, I think, be wise economy on the part of the state to utilize the services of those men, within the ambit of the powers we already have and without the establishment of any special body.

I want now to deal briefly with a few of the arguments that have been advanced. My hon. friend, dealing with the question who should tackle this great problem, said it should be the government, or, through the government, some organized body appointed by them. I have already referred to that, and I shall not labour the point; but I should like to draw attention to the fact that there is a difference between the duties of the government as applied to industrial and scientific research and the sociological problem of equitable distribution. There is quite a difference between the functions that are called into play with respect to these problems.

Mr. GARLAND (Bow River): That is the trouble.

Mr. STEVENS: Yes, it is the trouble. In the first instance, research has to do with taking this great estate that we call Canada and making out of it the best that we can, using its resources, directing its energies as far as possible along practical and material lines; but the moment you enter the sociological field, you enter the realm of the individual rights of one man as against those of another and, if I might use the term, individuality comes into the problem. It is going to be a very difficult thing for any group of scientists, whether inside the government employ or outside, and body of economists or sociologists, to determine some plan that cannot or will not be completely wrecked, —by what? By the peculiarities and idiosyncrasies of the individual. Therein is where my hon. friends, and particularly the hon. member for Winnipeg North Centre, are weak in their positions. Therefore I would hesitate to advise the house to organize a group of persons outside of the house to deal with the sociological side of this great question.

My hon. friend made certain suggestions in regard to the question of the type of the council, but I thnk a moment's thought will show the uselessness, shall I say, of a body such as he mentioned. He suggested one representative from each branch of commercial activity. I have had a good deal of experience in seeing groups or individuals representing different classes of thought in commercial and industrial life endeavour to work together, and it has been a pretty serious and difficult matter to get them to pull together to any degree at all. My hon. friend I think will recognize that. I at once question the suitability as well as the effectiveness of a group such as he suggests.

Then he makes the very simple suggestion that they should come to some conclusion. That is the sort of language which I would again point out is so often used, and yet is so abortive—to come to some conclusion, to pitchfork a problem into the hands of representatives of this, that and the other class, and ask them to come to some conclusion. I think we would do very much better if the government of the country, recognizing its responsibility, would direct the trained minds within its own employ, and tackle the prob-

lems which are immediately before us, certainly keeping in mind the broad question of world economics, because they are trained to do that, and are better equipped to do it than any other class of men in the country. But again, I say, we cannot see the advantage of turning the matter over to a body of individuals such as is suggested.

My hon. friend also raised the questions of transporation, foreign trade, and a study of the Russian system. I wish to say a few words in regard to that now. I shall leave the remarks of the mover of the resolution (Mr. Speakman), and turn my attention briefly to the remarks of the hon. member for Winnipeg North Centre (Mr. Woodsworth) who seconded the resolution. A few moments ago I said something to this effect, that the speech of the hon. member for Winnipeg North Centre would suggest to the minds of the members of the house reasons why it would be unwise to accept the resolution. I say that for this reason: As presented by the mover, the resolution was comparatively moderate; but as elaborated by the seconder it amounted virtually to the suggestion that we should adopt the principles lying behind the Russian Soviet system. The speech of my hon. friend from Winnipeg North Centre was indeed, in my estimation —and I followed him carefully—calculated to leave that impression. I am not saying he is wrong, but I do say this, that I do not think that was in the mind of the mover of the resolution. I do not think that such is in the mind of many who would support the resolution, but it does indicate to us what we are faced with if we accept the resolution. That is the point I wish to make.

Very early in his remarks the hon. member for Winnipeg North Centre suggested that this commission be appointed to investigate the entire economic system. Let us pause for a moment and think of what that means —to investigate the entire economic system. I have been reading economic works for thirty-eight years, and I have gone through a large number of them; not perhaps as many as my right hon. friend the leader of the opposition (Mr. Mackenzie King) and a few others here, have read, but still I have gone through a great many. I have read them and studied them and thought about them a great deal, and to my mind anybody who would undertake an investigation of the entire economic system, limiting it even to Canada, would enter upon a task which could not in a lifetime be pursued to the point where a useful conclusion could be arrived at. Morever, long before such a study could be fully entered upon, the rapidity with which industrial and commercial conditions vary the world over would necessitate such changes that the results of their earlier investigations would have to be abandoned because they would be out of date. To my mind such broad theorizing as this militates against the proposal of the hon. member for Winnipeg North Centre, and the very many otherwise intelligent suggestions he has to make.

Then there is the suggestion of the mobilizing of the brains of the country. Nobody objects to the mobilizing of brain power. I know that a great many people are very fond of saying that the brains of the country are not mobilized in parliament; I shall not emphasize that on account of being a member of some years' standing, but we have mobilized the brains of the country, so far as material resources will permit us to do so, within the ranks of the present employees of the government. Let us use these; we can use them, and we intend to use them. Let us use this brain power which is already at our disposal rather than step out in a vague and indefinite way to mobilize the brains of the country. Let my hon. friend bear this in mind—and it is worth bearing in mind at all times when considering matters of this kind—the brains that are now engaged in our large industries are making their contribution toward the solution of the problems of this country. The brains that are now engaged in our universities in studying economic problems are giving their meed of service to the solution of these problems, and they are probably doing it better in the universities than they could do it in the employ of the government. The brains that are given freely to public service all over this country, in municipal councils, legislative assemblies, parliament, and elsewhere, are being applied to the solution of these problems just as the brains of the hon. member for Winnipeg North Centre are being applied, in his own way, to their solution. The phrase "mobilizing the brains of the country" is more or less meaningless, particularly when it ignores entirely the present mobilization of great mental powers within the government service.

My hon. friend in passing also used the sweeping phrase, "centralized planning." I am going to propound to my hon. friends, particularly in that corner of the house, and perhaps to the right hon. leader of the opposition, this suggestion: If you took steps to-day to draft a centralized plan, what is the first thing you would be confronted with? The Combines Investigation Act. Last week and this week I have been studying a certain phase of our export trade. I have been giving it

study for some months, and I am trying to bring it to a focal point. I shall not say what it is at the moment, because that is not necessary. But certain suggestions arose out of the study of this question by the best brains that could be brought to bear upon it. They were not mine, by the way, because I came along only incidentally. The best brains in that branch of industry and among those most competent to advise with regard to it were mobilized, and what did we find? We found that to achieve a certain end we would be confronted with the Combines Investigation Act, because that act prevents the coalescing of various industries into a unit, which it calls a combine in restraint of trade. Without a doubt the trend in world trade to-day is for industries or branches of industries to get together with the intention of making stronger and more concentrated impacts upon the markets to which they wish to direct their trade, yet the moment they do that they are confronted with this act. I suppose my hon. friend would say, "All right, repeal the act." I would point out to him, however, that The Combines Investigation Act is one which has been cherished by the group of people who are now advocating the centralization of industry and trade. When I use the word "group" I do not refer to that particular body of men with which my hon. friend is associated, but to numbers of people throughout the country.

Mr. MACKENZIE KING: I do not wish to interrupt my hon. friend, but I think it is hardly accurate to say that the Combines Investigation Act prevents large combinations. In addition to evidence of the existence of a combine there must be proof that it has operated or is likely to operate against the public interest, that it results in the undue enhancement of prices, prevents or lessens competition or otherwise restrains or injures trade or commerce.

Mr. STEVENS: I quite agree with my right hon. friend. I am trying to make it clear that it is easy to say, as my hon. friend said the other day, that there should be advancement in centralized planning. But when one attempts actually to plan some such action he is confronted with the possibility of coming within the ambit of that act, and in the case I mentioned there is no doubt that such was the result.

My hon. friend quoted from a book. I am going to follow him in one or two of his quotations, because I do not think it is right to let the impression go abroad that this new effort in Russia, or experiment as he calls it, is the utopian scheme it is portrayed to be. I want to make the point clear that I am not condemning the effort being made in Russia. So far as those efforts contribute to the happiness, the comfort and the elevation of humanity I wish them success. I think however this parliament and country before accepting many of the statements advanced ought to ask the question, "At what cost?" My hon. friend particularly emphasized the fact that the editor of the book, The Challenge of Russia, was a former international secretary of the Young Men's Christian Association. He states therefore that his work ought to carry more weight than that of an ordinary person. There is no doubt that the book is an excellent one. There are thousands of such books. I have waded through quite a number, and am profoundly interested in the movement. However, may I read one quotation read by my hon. friend, and add a few words immediately following his quotation which he conveniently left out.

Mr. WOODSWORTH: May I suggest that I was confining myself to the particular aspect of the five year plan, and in that connection I read a few quotations. I am not accustomed to "conveniently" leaving out anything.

Mr. STEVENS: I should be the last person to give offence to my hon. friend or to any other hon. member of the house.

Mr. BEAUBIEN: What is the name of the book?

Mr. STEVENS: The Challenge of Russia, by Sherwood Eddy. I shall leave the words of my hon. friend to the judgment of the house and withdraw the word "conveniently." My hon. friend quoted from page 66 the following words:

> Thus far the yearly goal of the plan has not only been equalled but exceeded in most branches of industry, so that some of the goals set for 1933 had been surpassed by October, 1930.

My hon. friend finished his quotation at that point, and then carried the quotation to another page of the book entirely. There is nothing very significant about the words I am about to read, but I just wish to quote them in order to give the proper weight to the quotation of my hon. friend. The paragraph read by my hon. friend ended with the words:

> . . . . had been surpassed by October, 1930.

Then follow these words:

> In two fields the plan fell short at the beginning, and will probably be uneven in its

accomplishments. At the close of the first year the decrease in cost of production was only 5 per cent instead of the scheduled 7 per cent; while labour productivity was increased 14·5 per cent instead of the 17·3 per cent called for by the plan.

There is nothing significant in these words, but they do help to place the proper weight on his quotation. The way he left it one might be under the impression that so rapid was the expansion and so successful had been the plan that by October, 1930, it had surpassed the program scheduled for 1933.

Then, another quotation given by my hon. friend was to my mind more misleading than the one I have just cited. From page 77 my hon. friend quoted the following words:

Real wages are already 16 per cent above those of 1913, with additional benefits and social services amounting to 27·3 per cent of the total payroll, in reduced rents and prices, free vacations, medical service, etc.

I well remember the intonations with which my hon. friend read the words "free vacations, medical service, etc." At once the impression was left that it was a utopian idea. In the same line I find the following words:

Professor Paul Douglas estimates that American workers earn about three and a third times those of Russia, and that their standard of living is approximately three and a half times as high.

The point I make is this: when an impassioned appeal is made in this house stating that we should step aside and consider things occurring in Russia, at least let us give to the house and country a thoroughly well balanced statement of the cost.

At page 78 in the same book I find another quotation I would like to read:

Vacations on full pay ranged from twelve days to one month. Other compensation, insurance, social service, rent, heat, light and food at reduced prices amount to 37 per cent added to the workers' wages. Every man works four days out of five and has seventy rest days a year.

That was my hon. friend's quotation, and again we have a utopian condition presented. However, here are the words following:

Allowing for these benefits, the average net compensation per worker was a little over $600 a year. Food and housing conditions for Russian workers are still often primitive, but no workers care less for their condition or will put up with more hardship.

Here the writer is referring to the Russian worker.

The strain and self-sacrifice imposed upon the workers by the five-year plan would not be tolerated by independent, individualistic, Anglo-Saxon workers, ...

I wish to place a few facts before my hon. friend and before those who cite the example of Russia as a reason why we should embark upon centralized plans, organized mobilization of brains, and so on. In the first place, there are in Russia about 150,000,000 people. It is a country composite in geographical formation and with tremendous undeveloped natural resources. There is no place in the world to-day, including Canada, which offers such opportunities for exploitation. I am not confusing the term "exploitation" but use it in its economic sense. No place offers such opportunities as Russia for exploitation of natural resources for the benefit of the people. Further, there is no place in the world where the masses of the people are in such great need of economic advancement as they are in Russia. Having in mind the conditions in China and India, my last statement may be considered a little too strong. Russia is in an entirely different position from Canada. In this country there are from 9,000,000 to 11,000,000 people; pending the coming census we do not know the exact number, but we will say there are 11,000,000. The area of Canada is slightly less than that of Russia. Our resources do not equal but compare favourably with those of Russia, and are of a somewhat similar character. In Canada however there is not the necessity to work for the next fifty years to catch up with the rest of the world. In Russia there is a mass of people who have not enjoyed the benefits which are commonplace to us. We read about the establishment of an electric light system in Russia, and are told that about $100,000,000 is, being spent on electrical development. In a country like Russia such an expenditure is not extraordinary; for Canada however it would be considered large. Why compare conditions in Canada, which has an independent and individualistic people, with those of a country which never had independence or individuality in the practice of its citizenship? The conditions are not comparable at all. Consequently I say to my hon. friend and to those who advance these arguments that it is but a misleading of the public mind, particularly at this time, and a misleading of those who unfortunately are out of work and are suffering—

Mr. SPEAKMAN: I hope my hon. friend is not suggesting that I was arguing in that way. I make this point for the sake of clarity.

Mr. STEVENS: I made that very clear previously, and I will make it doubly clear at this time. I opened my remarks with the statement that I thought the hon. member for Red Deer was very moderate and very fair in his presentation of the resolution.

Mr. WOODSWORTH: I am quite willing to take the brunt of it.

Mr. DEPUTY SPEAKER: Order. The hon. gentleman's time has elapsed.

Mr. STEVENS: I will conclude with a sentence. I also said that I thought the speech of the hon. member for Winnipeg North Centre really carried with it the answer to the speech of the hon. member for Red Deer. I am sorry to say to my hon. friend, who undoubtedly has given the matter a great deal of thought, that the government feels it would not be wise to carry out his suggestion as to the immediate establishment and maintenance of an organized body for this purpose, but rather suggests to the house that the government will direct the activities of its own trained civil servants, through the proper departments, to a genuine effort looking to the solution of these problems.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I think it is regrettable that the resolution of the hon. member for Red Deer (Mr. Speakman) should have been made the basis of a discussion of Russia. I really fail to see the connection between the two. It is true that one may mention Russia in a speech, or use Russia as an illustration, without suggesting that Canada should become Russia or that we should attempt in any way to follow Russia. As the hon. minister has just said, the conditions of the two countries are incomparable. The great struggle in Russia, as far as I can make out, is to get enough to eat and enough to wear, while in Canada our problem is that we have too much to eat and too much to wear.

Surely the Minister of Trade and Commerce (Mr. Stevens), who has just taken his seat, must have misunderstood the motion to have discussed it as he did, because we all know he is a student of economic problems. We all know he is forward looking, and I think if he had not misapprehended it he would have accepted it. Surely if there had been any kind of planning at all in Canada for the last half century we would be able to distribute sufficient of life's necessities to the people of Canada without having to resort to charity, as is the case to-day. Surely we would have made a little more progress than we have towards dealing with the unemployment situation, if we had concentrated on the matter and tried to find a solution.

I mention these things in passing, but I do not propose to follow the minister in his discourse on Russia, I propose to take up the argument in favour of the creation of a national council of social and economic research which, as far as I can see, has not the remotest connection either with Russia or with what they are doing there. The house was privileged to listen to the hon. member for Red Deer on this question. His speech revealed patient research and care in preparation. It contained much constructive thought; it was logically and eloquently delivered, and was marked in every sentence by the utmost sincerity.

May I attempt to summarize the argument of the hon. member. He assumes that the problem of production has been solved. The Minister of Trade and Commerce challenged that assumption, and I do not dispute his challenge on the grounds on which he takes it. I do think he will agree, however, that at least we have been able to produce more wheat in Canada than we can use; he will agree that we have produced more boots in Canada than the people need to wear, or can get to wear, and so on. As to the production of the future I know nothing. Perhaps a hundred years or a million years from now the people will not require any boots and even will not be eating wheat. I do not know what then will be the problems of production, but at the present moment we have solved the problem of production at least of the essentials of life. I will not go into all the details of production, but in matters of food, clothing and shelter—let us stop at those three—Canada surely can produce in abundance, and I do not think it will be challenged, even by the minister himself, that the problem of production has been solved in respect to those matters up to this point.

Then the hon. member for Red Deer indicated that our trouble in Canada was one of abundance. I am expressing his argument in my own way, of course. He went on to indicate that the well-being of society now depends upon its wisdom in using the products resulting from the knowledge we have gathered in past generations; he pointed out that the road to the solution is by way of scientific knowledge, and that the responsibility for providing means of acquiring that wisdom rests upon the state. He proceeded to propose a national research council as the means of obtaining the necessary knowledge for more intelligent direction in social affairs, and he went so far as to suggest ways of selecting the personnel of that council. In this regard he suggested a council representative of the functional groups engaged in the economic life of the state. I agree with the minister that perhaps this might not be the best way of appointing them, that is, on a class or functional basis. It is true that those people

meeting together might each emphasize his own particular part of the problem and forget to make inquiries as to the problem as a whole. I think that is a very likely result, but after all that method need not be adopted; surely there is some way of securing capable students to undertake this work. The hon. member concluded his argument by visualizing for the house a broad field of inquiry which might be undertaken by the proposed body.

I can understand why journalists and perhaps a few members of this house might regard this proposal—as some of them have regarded it—as something too academic and too abstract for parliamentary discussion. I think we may regard those terms "academic" and "abstract" in pretty much the same way as the Minister of Trade and Commerce regards "great economic problems;" those words, as they are often used in connection with the problems put forward by this corner of the house in particular, stand in the same class. It is quite easy to use those expressions in opposing a view with which one disputes, but they do not mean anything; they are just words. Surely there is nothing very abstract about the question of unemployment, say, and there is nothing very academic about an overproduction of wheat in western Canada. There is nothing particularly abstract about a council of ablebodied people, and, let us hope, people who will be able mentally as well. That is not an abstract, but a very concrete proposition. But disposing of the argument on the ground that it is academic or abstract is a practice which, I think, arises from prejudice rather than from knowledge. And I fancy that the prejudice which is behind that form of argument—of course I am not attributing this to the minister, because he did not use these words—is based upon what I am going to call the philosophy of government. Now the philosophy of government in this country, as everyone knows, is the philosophy of laissez faire: let things settle themselves; let time work out our problems. Things will right themselves—that is the belief. Well, could there be a sillier abstraction than that? Time and things will not in themselves correct any error or abuse. Time and things are not creative. Time and things without intelligent direction will end in chaos and disaster. We cannot trust to time and things. The time has come when the social engineer must do for society what the mechanical engineer has done for production. In my opinion, the greatest nation of to-morrow will be the one that excels in social engineering.

May I describe just for a moment, to the minister and to this house, the static condition of political thought in Canada—and that includes this group as well. I am not suggesting that we are the only people who can think, and I know very well that the minister would not agree with me if I did. I am going to emphasize, however, what appears to me to be the static condition of political thought in Canada. While economic conditions have changed profoundly in no longer a space of time than half a century, our political thought still revolves around the little planet which appeared in the sky of history at the time of the corn laws. And although the party now in power does not agree with the free trade policy which came into being at that time, it does agree with the philosophy of that policy, which is to let everything go to the devil if it wants to. The government should not interfere with industry; it should not interfere with the development of natural resources; it should not interfere with anything; just let everything go. That policy is to leave things alone in the belief that they will come out satisfactorily in the end. That was the philosophy of that sparkling planet which appeared with the corn laws and is still the centre of our political thoughts. But in political campaigning we do not leave everything to time and circumstances; we plan things. I know I do, and I should be surprised if the minister did not.

Profound changes, I say, have taken place in fifty years in the economic world. But in sixty years in Canada there has been no change in political thought. Let me give an example. In the days of Sir John Macdonald what was the political issue in Canada? Roughly speaking, it was this: Shall we have a tariff or shall we not have a tariff? And practically every election in Canada has been fought on that issue, with perhaps the single exception of the war election. The last election was fought on the issue of tariff or no tariff, and I will bet my neck that the next election will be fought on that issue again. Now that is static thinking.

What happens? The government is elected to carry out a tariff policy, and then there comes along a period of depression. The people are allowed to believe that the government is to blame and they turn that government out and elect another in its place, a government professing lower tariffs. That government enjoys a period of office, and then there comes another time of depression, and once more the people are led to believe that the responsibility is the government's,

and once again the government is turned out. Now, how long will it take to solve the economic problem of the country in that way? I will give you a million years and I venture to say that in the end you will be just where you are now. There is no creative thought there; there is no leadership, there is no attempt to solve the problem. Our politics is one hundred years behind the times so far as the economic necessities of the country are concerned.

This resolution is an attempt to make a beginning to bring our political thinking up to the economic necessities of the time. And surely there is nothing whatsoever abstract n that proposal. There is nothing academic about the problems of overproduction and unemployment. There is nothing abstract about an actual physical council composed of individuals, nothing abstract about searching for knowledge in scientific fields. These, on the contrary, are all matters of practical necessity, and the decision of this house to establish a national council of research in sociological matters would at least reveal that parliament believed it possible to find a solution for our present problems. It would show that we in this house at least are convinced that such a solution can be found, in the same manner as scientists have found solutions for other problems in other departments of scientific research. But if this house actually thinks that society can emerge from its present state, orderly and without upheaval and suffering, by letting things take their course, then I should say unhesitatingly that what we need first is brains. I know all my friends will agree with me on that point. And an act of parliament does not provide that.

Society to-day is where the mariner was before the compass was discovered. Before that time he moved along the headlands with which he was familiar, afraid to venture out of their sight. But when someone discovered the compass, he was able to explore. To-day our governments are pretty much in the position of the earlier mariner. I am not criticizing the present government, for if this were the Irvine government I am afraid it would be doing pretty much the same thing, crawling along the headlands of usage and custom, without an instrument to assist in an effort to get away from the land. That is the situation as I see it. Or, to change the analogy: There was a time when disease was regarded as an act of God, and no encouragement was given to the science of mastering it. But the medical profession, by long and painstaking research, has almost conquered disease. It has got the better of disease to a very considerable extent, and I am sure that the medical men hope ultimately to conquer it completely.

If we still hold to the outworn dogma of laissez faire, then this resolution will not pass; for by that reasoning the less we do the sooner will things right themselves. To do nothing intelligently is the supreme economic virtue of that philosophy. But if, on the other hand, we have come to the view that intelligent direction of social life is as indispensable as the intelligent direction of individual affairs, then the proposed council or some similar body becomes a necessity. I contend that science has in a very large measure produced what we call our modern economic problems, and I say that science alone can solve the problems it has created. It may be urged—indeed, the minister has just urged it in other language—that the government can do all the fact-finding that is required, including in that claim all the officials of the government departments. Now, of course, I agree with the minister that the officials are efficient. I have had no experience with the officials of the departments, but still I am willing to agree that our departmental officials are quite efficient. There is no doubt about that, so far as I know. But what are they studying? How many departmental officials are now engaged studying the unemployment question in all its ramifications? How many of our civil servants or officials of departments are engaged studying the question of finance? And who are they? And, again, how many are engaged studying the problem of too much wheat? There may be some working at that, but I confess I do not know who they are, and if I wanted any information that they had acquired I would not know where to go for it. No doubt they are efficient, but they are working right up by the old headland; they are not losing sight of it, they are sailing in the old trade route, repeating, repeating, repeating; they have no incentive to creative thinking and action. I do not blame them; I am blaming this parliament and the country—ourselves—for not giving them any opportunity to act in a different way.

Of course the government would be the ultimate authority in respect to policy. We could not create a council that could go ahead and act by itself; it would be there only to furnish information to the government as required. The government really has no time to do research work as it should be done. Again, I have no experience of departmental work, but I can imagine that the Minister of Trade and Commerce has all

he can do to discharge the great responsibilities with which he has been entrusted by the people, and that he has to labour overtime to do research work on questions of the kind that we are now discussing; and I know he does a good deal of that overtime work. A government will undertake research work of course in specific cases when there is no possibility of further evading it. What we want is an institution that will do research work continuously and have the necessary information on hand when it is required, so that we shall not have to wait several years for legislation which might be passed at once if we had the requisite information on which to act.

Unemployment insurance is an outstanding example of this kind of thing. The Prime Minister's speech on that question the other day was of outstanding ability, one of the finest I have ever heard on the subject. He revealed a thorough grasp of the essential principles of insurance, a familiarity with all the important factors, and exhibited a wise caution against any of the dangers of possible failure. After having reviewed the whole problem in a masterly way, he said:

> Does my hon. friend suggest that this house is now immediately seized of such information as would enable us with the very best ability we have in this Dominion to prepare a measure upon any basis that would commend itself to the judgment of the thinking people of this country?

Later on he said:

> The Department of Finance is advised that under existing conditions, to make a leap in the dark, to jump into the abyss without having knowledge of what is involved, would spell disaster to the very purpose which the hon. gentleman has in mind.

I agree with every word the Prime Minister uttered in this connection. And remember, Mr. Speaker, the Prime Minister probably has a greater knowledge of that subject than any other hon. member. He has had ample opportunity to study this and kindred questions in a long experience in big business and knows what he is talking about, and when he said that even he with his experience and knowledge of the question has not yet got sufficient information, how are members of the government or private members to acquire it? But the point is this, Mr. Speaker: unemployment insurance must be delayed—for what? For knowledge, for information which we could not expect any government to have right off the bat, or any minister to be in possession of at a moment's notice. Consequently action must be deferred probably for two or three years while the government instructs its various departments to get the information required. Now, if we had an institution such as the hon. member for Red Deer suggests should be established, information, on that and similar questions, would be on hand at the moment it was required.

Next, I wish to argue that the proposed research work is an undertaking for the state. No one else can undertake it. There is no opportunity for the private citizen as an individual to do this. My hon. friend the minister will agree that in biology, or medicine, or mechanical engineering the individual is free within certain limits to pursue his bent, to prove his case by experiment, and even to make his living in so doing. But there is no such freedom or opportunity possible for students of economics or of sociology who may have a bent along these lines, nor is it advisable or possible to allow such freedom to the individual in these matters as is permitted in industry and commerce generally. A new machine, a new medicine, a new industrial enterprise will be accepted readily enough. But let a man have a new idea in economics, and he may starve to death or go to prison for all the world cares. So this is not a job for individuals, it is a job for the state, and the state will lack leadership until it appoints the body necessary to obtain that knowledge and give that kind of leadership.

Lack of attention to these matters by government accounts, I should say, to a great degree for so-called agitators and propagandists, such as myself and the hon. member for Winnipeg North Centre. If the information were forthcoming by a properly equipped government institution, if we knew that every avenue had been explored, that all the facts had been brought to light, and that the policy of the government was based upon such facts, I would not be such an agitator as I am; but I am sure that this is not so. I would say further that if some of these ideas of the so-called agitators and propagandists—perhaps most of them are bad ideas, but some of them are good; I know mine are good, and I know those expressed by the hon. member for Winnipeg North Centre are most excellent, but nobody believes them because we bring them forward; that is the trouble—but if these ideas were brought forward by such a research council as is proposed, backed by the government, they would be accepted much more readily. Those ideas might not be any better of course, but they would come with greater authority from such a quarter, and the public would have greater assurance that

every agency was being employed to keep our society in step with the requirements of the times.

Let me, then, emphasize that the individual cannot start out on his own initiative and bring forth any knowledge that will be of very much use to any government. In the first place, as I have said, if his idea happens to be more radical than is thought to be good, it will be discredited; in the second place he will likely follow one little line of thought and not go into the question comprehensively; next, he cannot make his living, and therefore can only work at the problem fitfully and not adequately; and, finally, if he tries to force his idea or experiment on the people he will probably be sent to prison very quickly. So the individual cannot tackle a problem of this kind. Not even our professors in the universities can do so. No doubt they are doing excellent work, but we are not using their work as it should be used, nor are we giving them the opportunities that they should be given. So this job must be done by government agencies.

Let me say next that I think there ought to be a place for the social engineer, for the student of economics and sociology. The nation has provided no means of conserving and using the best thought even of the political economists that we have. I would say that the attitude of the minister would not be calculated to encourage them in any further research work. There are plaudits and emoluments, and rightly so, for explorers and discoverers in every other branch of science, but for the seeker in the field of economics and sociology there is only anathema. There is glory for the person who makes two blades of grass grow where but one grew before. Should not there be a little bit of glory for the man who can distribute two bushels of wheat where now only one is being distributed? The problem is now one of distribution and nobody is really working on that problem. This is one task for such a council as is proposed. We ask them that parliament provide the opportunity for such a work as that. I feel sure if the minister had not been led astray by the Russian red herring, he would have adopted this beautiful mackerel. He went after something that did not belong to the argument, and if it had belonged to the argument I would probably have agreed with him. These things should not be mixed up at all. We ask merely for the consideration of the appointment of a council to do research work in the way of solving some of our economic problems. If we give an opportunity in this way, men will rise to embrace it. In the universities and colleges of this country there are many professors who will strive to qualify for such a position as that. It is true, of course, that social science is much more complex and difficult than other branches of science. Social science is all embracing, but if we fail in that science then all other sciences will fail, for ultimately their value must be estimated in terms of the social and human purposes for which they exist.

My hon. friend has quoted from a book on Russia. I want to conclude by making a reference to another writer on Russia, and when I speak of Russia, let me explain very clearly that that by no means argues that I want to establish Russian conditions in Canada. I do not. I wish to refer to, not quote, a statement in that book of Mr. Maurice Hindus, called Humanity Uprooted. He says there that we are at war with Russia. By "we" he means that all nations under the capitalistic system are at war with the nation that is under communism. He went on to say that this is a war of construction, not of destruction, and his inference was that the country which is the more constructive, that country which has utilized the natural resources and the fruits of the genius of men together to produce the greatest service to humanity, is the nation that will win this great war. Can it be expected that a country that adopts a laissez-faire philosophy, that allows things to drift, that is planless, can compete with a nation that has planned every move that it is going to make? In my opinion, as this war goes on between the Russian system and the capitalistic system, as the years go by, we shall discover that our capitalistic system will then not be what it is now and that the Russian communistic system will not be what it is now, but that each will copy the best of the other and probably both come to pretty much the same conclusion. But I insist that if we are afraid of being overcome by Russia, the only way to meet Russia is by intelligent planning, by securing the information required and by working on that information. We cannot win this great war of reconstruction otherwise. The only way to win this war is to plan; the only way to plan is to obtain knowledge, and the only way to obtain the necessary knowledge is through the means suggested by the hon. member for Red Deer (Mr. Speakman). Therefore it is the duty and privilege of this assembly to vote for such a body.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): When the last speaker rose, I was about to direct to the minister a question which perhaps would have elicited all that at the moment I wish to say on this subject. As I have listened to the remarks of my hon. friend I have become increasingly convinced that all that is asked for in the way of legislation by this resolution is already enacted, and will be found in an act of this parliament which has its place in the revised statutes. I also feel more than ever convinced that my hon. friends to my left should have directed their attention to the act and have asked the ministry to give to it the interpretation and emphasis which they think and which in agreement with their views, I think, is the right one, to be placed upon its provisions. The positive portion of this resolution, as has been pointed out, is that there should be—

> Some organized body for this purpose which body might be known as the National Council on Social and Economic Research.

The abbreviated title of such a council would be the National Research Council, and that is precisely the body which was established by act of parliament some years ago. I have in my hand a copy of the revised statutes in which is to be found the Research Council Act, 1924, section 1 of which reads:

> This act may be cited as the Research Council Act, 1924.

As hon. members have been discussing the question, I have been looking through this act to see whether its clauses are not sufficiently broad to include everything that they have suggested, and I think they are. More than that, I believe, had there been time to look at the original debate, one would have discovered that the intention was that its provisions should be broad enough to cover research into social and economic questions as well as into questions which are purely industrial. The Research Council Act of 1924, revised statutes, provides first of all for a committee of the privy council which is to be known as the Committee of the Privy Council on Scientific and Industrial Research. My recollection is that the government appoints under that designation a sub-committee of the cabinet. Such a committee was, I know, appointed under the late government, and I assume that the government opposite has, since it has come into office, appointed such a committee. If it has not, there is still plenty of time to do so.

Mr. GEARY: May I ask the number of the chapter?

Mr. MACKENZIE KING: Chapter 64. Then there is an advisory council which is a large body called the Honorary Advisory Council for Scientific and Industrial Research, consisting of fifteen members. These members are appointed by the administration and it is their duty to arrange for the investigation of any subject coming within the scope of the act which is assigned to the council by the committee of the cabinet known as the Committee of the Privy Council on Scientific and Industrial Research. The definition of the duties of the council will be found in section 6 of the act. In a sentence, they are as follows:

> The council shall have charge of all matters affecting scientific and industrial research in Canada which may be assigned to it by the committee.

Social and economic questions are just one class of questions which may be scientifically investigated. Economics is as much a science as any other science that may be named. The cabinet have full powers under this act to refer to this committee any question that would come within the scope of the words: "All matters affecting scientific and industrial research in Canada."

Looking at the resolution specifically, one discovers that what the mover, if I interpret his mind aright, evidently has particularly in mind, is that up to the present this body, this research council, has been engaged so exclusively with one aspect of research, namely, that which has to do with the production of wealth, that another body with similar powers ought to be appointed to deal with another aspect, namely, the distribution of wealth and with the questions of exchange. My point is that production, distribution, and exchange are all branches of the one science of political economy, or as it is more frequently called to-day, economics, and that this council has just as much power to-day to deal with the questions of distribution or the questions of exchange as it has to deal with any phase of production. What it may do depends entirely upon the direction the government of to-day wishes to give to its duties.

Mr. GARLAND (Bow River): Has such direction at any time ever been given to the National Research Council?

Mr. MACKENZIE KING: That I cannot say. But what I am saying is that the act is there. It does not require another act to

permit of a like investigation of social and economic problems. What is required in order to have the kind of investigation conducted which my hon. friends are asking should be conducted is that the government of the day should take advantage of the statute to that end.

Assuming the resolution were to carry this afternoon, and that the government were to proceed to draft an act to give effect to it, the government could not do better than to put on the statute book the statute that is already there. It therefore seems to me wholly unnecessary to ask for the enactment of such a measure to achieve the objects which my hon. friends have in view.

In order that I may be quite specific in reference to the applicability of the provisions of the act to the matters mentioned in this resolution, let me quote one paragraph of the resolution which refers to a certain class of questions, questions of agriculture, which are in the minds of my hon. friends and then refer to the act itself:

> Whereas, the problem of distribution, with the kindred questions of purchasing power and the exchange values of agricultural and other commodities, together with their relation to the growing problem of unemployment, are still unsolved, and demand immediate attention with systematized investigation and scientific study.

There my hon. friends are drawing attention to the problems of agriculture as related to unemployment and to certain other subjects.

Now let us look at the act. Section 10 of the Research Council Act reads as follows:

> Without thereby limiting the general powers of the council conferred upon or vested in it by this act, it is hereby declared that the council may exercise the following powers, namely:—

Here follows a series of sections, seven in all, and the seventh section reads:

> Researches, the object of which is to improve conditions in agriculture.

The very thing which my hon. friend's resolution says demands immediate investigation.

Mr. SPEAKMAN: A part of what we want.

Mr. MACKENZIE KING: Yes, but the section reads, "without thereby limiting the general powers." No specific thing need be set out. It says, however specifically, "researches, the object of which is to improve conditions in agriculture." If one reads through the act carefully, one will discover that the act is broad enough to include the investigation of any problem which has to do with production, distribution or with exchange.

[Mr. Mackenzie King.]

In Palgrave's Dictionary of Political Economy, which is a standard and recognized authority, it is stated quite clearly that, as a branch of science, economics is as much concerned with exchange and distribution as it is with production, also that it is concerned as a science with all those social problems. I read from page 678:

> As to the scope of this science—it would be generally agreed that it is a branch of a larger science, dealing with man in his social relations; that it is to an important extent, but not altogether, capable of being usefully studied in separation from other branches of this science; and that it is mainly concerned with the social aspect—as distinct from the special technical aspect—of such human activities as are directed towards the production, appropriation and application of the material means of satisfying human desires, so far as such means are capable of being exchanged.

As hon. members know, the study of economics, as such, is a more modern development of the old study of political economy, which had come to be looked upon as too exclusively concerned with wealth, as generally understood, and not sufficiently concerned with human needs and the social problems pertaining thereto. I was interested in looking in this same dictionary to see what definition would be given of the words "political economy." I find that while at the beginning of the article the definition is in accord with what I have just said as to the old-fashioned idea of political economy being a hard-hearted science, the modern developments of political economy have made it in the minds of scientists and others into a more human, or more humane, science, if such a thing is conceivable. Indicated in this article, under the heading, "Recent development of political economy," I find these subjects listed:

> Economics as concerned with currency;
> Economics as based on the element of labour;
> The gradual appearance of the ethical element;
> Historical, and the gradual rise of the principle of freedom with new aspects of state control.

There will be found the very words that have formed the kernel of most of the arguments that have been presented by those who are sitting at the other end of this chamber; they are also the words appearing throughout the resolution, which speaks of matters relating to currency, to labour, to state control, and a larger industrial and personal freedom.

If I am correct in saying that all of these subjects come properly within the science of economics, then I think I am wholly right when I say that an act which gives to the government of Canada power to conduct scientific research, and which does not limit

that research in any way, but specifically goes on to indicate how it may be broadened out to include agricultural problems, and the like, which will affect employment—that such an act provides everything that is asked for by hon. gentlemen to my left in the way of legislation necessary to enable the state to do the very thing which they wish to have done. That being the case—I was rather surprised that the minister did not draw attention to that fact. On the other hand I can understand that if he is not interested, or if the government is not interested in the investigation of social problems, there may have been a special reason why he made no mention of the act; but I hardly think that is the explanation.

I do believe it is true that up to the present time the work of the Research Council has been very largely concerned with investigations which have been of particular service to the manufacturers of this country, and to those who are concerned in developing certain of the great natural resources of this country. I remember, however, that some years ago—if I am not mistaken it was about 1919—the research council did send out communications to different bodies in this country and to individuals asking for subjects of investigation which they as a council or committee might consider, and they prepared a report in which the various subjects which would properly come under this act were summarized. I am speaking only from memory, because I have not had an opportunity of verifying what I am saying, but I believe that my hon. friends will find in that summary made by the research council itself, the assignment of social questions as one specific branch which in the opinion of its members the committee was perfectly free to undertake. At any rate the council has already taken up the consideration of certain agricultural questions specifically, as such. I thank the minister for the list of committees with which he has just supplied me. Among others there were the following: A conference on animal diseases, an associate committee on cereal rust, an associate committee on coal classification and analysis, an associate committee on field crop diseases, a committee on Trail smelters smoke and an associate committee on tuberculosis.

Mr. STEVENS: And a committee on honey.

Mr. MACKENZIE KING: Yes, an associate committee on honey. Then there is an associate committee on grain research.

Mr. WOODSWORTH: Does the committee on tuberculosis deal with humans or cattle?

Mr. MACKENZIE KING: I cannot say.

An hon. MEMBER: Both.

Mr. MACKENZIE KING: I am informed it deals with both. The point I am endeavouring to make is that there is no reason why any subject which is an important social problem of the day should not be investigated by a body of experts operating under state auspices and under the powers given to the government by the Research Council Act, if the government wishes to have that particular phase of social problems investigated.

Mr. GARLAND (Bow River): The right hon. gentleman has read to us a list of productive effort rather than an examination into distributive effort.

Mr. MACKENZIE KING: That bears out my statement that up to the present time research council work has been confined to that phase of economic science which is concerned with production. To a very limited extent only has it been concerned with those phases of economic research which have to do with exchange and distribution. I agree with my hon. friend that there is no greater problem in Canada to-day than that of unemployment. At the moment I do not wish to make references of a party nature which I might quite properly make at this time as to the vastness and importance of the problem. I think the fact has been established that the causes of unemployment are very wide, and that they are by no means local, or, wholly attributable to any single government or political party There are great economic causes underlying the problem of unemployment just as there are like causes underlying other existing social conditions. Not only do I think the government might but I think under the present circumstances it ought to take advantage of this legislation in the statutes of Canada and have the research council bring together some of our leading economists in the universities or others of the type mentioned during the debate on this resolution and allow those men to give special time and thought to this great social problem, allow them to put in a year's work or more on the question of unemployment and means of coping with it. I would make that as a practical suggestion and one which I hope will appeal to my hon. friend the Minister of Trade and Commerce, when he has had time to study the subject generally.

In conclusion I would repeat that it seems to me that my hon. friends instead of asking for more in the way of legislation should point out the powers the government already possess and that they should insist that with the legislation already enacted the government should now direct its energies into a field which thus far has been neglected and hereafter not so exclusively to fields which already have been too exclusively explored.

Mr. ANGUS MacINNIS (Vancouver South): Following three such eminent speakers and astute politicians I am in rather a difficult position if I am to make any showing whatever. I should like to begin my few remarks in support of this resolution by congratulating the mover of the resolution (Mr. Speakman), on the general terms in which it has been worded. Again I would congratulate him upon the very reasonable way in which he explained the purport of the resolution. On the other hand, I was surprised at the attitude taken by the Minister of Trade and Commerce (Mr. Stevens). Particularly, the minister stressed the remarks in reference to soviet Russia made by my hon. friend the member for Winnipeg North Centre (Mr. Woodsworth). I was greatly surprised at the remarks of the minister in view of the fact that the hon. member for Winnipeg North Centre definitely stated when making reference to Russia that he was drawing attention to that country only to show what could be done by organized planning. I cannot see any particular harm in that. The fact of the matter is that, whether we wish to admit it or not, at the present time the eyes of the world are focused on Russia. A few weeks ago Sir Frederick Williams Taylor on his return from Europe made the following statement to the press: "Keep your eyes on Russia." Following the return of the Minister of Trade and Commerce from Europe after the Imperial economic conference last fall the Vancouver Sun contained an interview. This article is dated Ottawa, December 31, 1930, and is as follows:

> Declaring that Russia's five-year plan was succeeding all along the line and that Canadians were doing their country a distinct disservice by pretending otherwise, Hon. H. H. Stevens, Minister of Trade and Commerce, arrived here at noon to-day after two months in London attending the Imperial conference.
>
> Mr. Stevens is persuaded that one of the biggest economic problems for the world and for Canada to consider is that presented by the steady come-back of soviet Russia, which was buying incredibly large quantities of goods in the United Kingdom and in the United States and paying for them.

[Mr. Mackenzie King.]

I suppose the peculiar part about it is that she was paying for them. Then the interview continues:

> As an exporter, Russia, which is in the same latitude as Canada, can and does sell practically all of the natural products as Canada, and soon will also be selling many of the articles that Canada manufactures and exports, so that Russia will soon be a live competitor of Canada, not only in wheat and coal but in many of the Dominion's other main commodities.

It is not surprising that my hon. friend from Winnipeg North Centre should have referred to Russia when the Minister of Trade and Commerce made reference in the terms I have quoted. The resolution in my opinion merely emphasizes the philosophy of most hon. members in the particular group to which I belong. In this Dominion there are various schools of thought which advocate the carrying on and organizing of the nation's business along various lines. As everybody knows the Labour group believes in the evolutionary process in human society. Consequently when we see an evolutionary process taking place and reaching the stage where a crisis is imminent we believe some steps should be taken to meet such a situation.

May I endeavour to illustrate my thoughts in this way? All hon. members who have had any experience in raising poultry will know that if fertile eggs are secured, put into an incubator and subjected to a heat approximating 103 degrees, at the end of twenty-one days baby chicks will hatch. The Labour party feels that is the way human society should go. Our friends the communists, who are in favour of a revolution, believe that if you increased the heat a few more degrees you might get the chicks in fifteen days, but the only thing that would really happen would be that you would cook the eggs. My friends the conservatives—and I do not mean the party but those people of a conservative type of mind—as exemplified possibly by my hon. friend the Minister of Trade and Commerce (Mr. Stevens), believe that you can keep those chicks alive in the eggs after the twenty-one days are over, or if not, that possibly you could catch them and put them back in the shell after they came out. We believe that conditions are progressing towards a crisis in society, and just as you would prepare your brooder houses and other apparatus in order to care for your chicks, we believe it is the primary function of the government to prepare for contingencies, not only those which are already here but those which may arise later.

If there is anything which is outstanding in connection with our present economic crisis it is, if I may use the term, the unanimous confusion of thought in regard to what causes it. I have gathered from various sources the opinions of many people who are supposed to be leaders in our industrial, financial and other activities to-day. I will give a list of those people and then I will give you their suggestions as to what has caused this world wide economic depression, together with their remedies for the situation. First there is Lord D'Abernon, famous British economist; J. M. Keynes, noted economist and chairman of the National Mutual Life Assurance Society of England; J. Beaumont Pease, chairman of Lloyd's Bank; Sir Harry Goschen, chairman, National Provincial Bank of London; Right Hon. Reginald McKenna; Harold Cox, noted British economist and writer; the financial expert of the London Times; J. F. Darling, director of the Midland Bank of England; Sir Herbert Holt, president of the Royal Bank of Canada, and several others. Some of the reasons given by these people for present economic conditions are: Gold hoarding by the United States and France; the unwillingness of the United States and France to make foreign loans; shortage of monetary gold, and inadequacy of world distributing machinery. I am unable to understand what that term really means. If it means the inadequacy of the medium of exchange, as far as the great masses of the people are concerned, I quite understand it, but if the word "machinery" means our transportation systems, then it has no meaning whatever.

Some further reasons given by prominent people are immobility of labour and interference of trade unions, and paternalist government. If there is any trade union at the moment which can interfere with the economic activities of the country, I should like to belong to that union. Other reasons are: disequilibrium of the gold standard; high prices of manufactured merchandise; tariff walls and anti-dumping measures; widening of the gap between wholesale and retail prices and interference with the easy flow of capital between countries. There seem to be just as many different causes as there were individuals giving them, but the point I wish to make is this: If gold hoarding by the United States and France is a cause, how did it come about that gold gravitated to those two countries? What caused the cause? If the inadequacy of world distributing machinery, using the word in the only sense in which it can be used, is a cause, what brought about the inadequacy? This reminds me of a lecture I heard by a medical man, and after hearing my hon. friend from Wetaskiwin (Mr. Irvine) speak on this point I am not sure whether he was just as wise in this connection as he is in most of what he says. However, this medical gentleman, in giving an address on disease, said that rheumatism was caused by diseased tonsils and that heart disease was caused by rheumatism. He stopped there; he did not tell us what caused the diseased tonsils, and it is the same with these people. They tell us that the high prices of manufactured merchandise caused the present depression. Who is responsible for the high prices of manufactured merchandise? Is that not something which might be investigated by this committee?

Let us go on and recite a few more of the reasons given for the present economic depression. There was a gentleman from Great Britain who came over to this country not long ago; I refer to Sir Arthur Balfour, former president of the Federation of British Industries. Speaking at Hamilton, I believe, recently he is quoted as follows:

> Sir Arthur Balfour noted that the world's population had increased by ten per cent in the period from 1923 to 1928. During the same period, however, he said that there had been an increase in agricultural production of sixteen per cent. The production of raw materials had increased thirty-five per cent, while the output of manufactured products had gone up forty per cent. You see,—he is reported as saying,—there are not enough people to consume the products.

I would imagine that such a statement was made by Sir Arthur Balfour after a very nice luncheon with people of his own kind. Certainly he could not meet a gathering of unemployed in any part of this Dominion and say there were not enough people to consume the products which were being manufactured. I believe this is something this research committee could investigate. Why is the condition of the people worse to-day than it was at any time between 1923 and 1928, when there has been an increase in agricultural products of sixteen per cent, in raw materials of thirty-five per cent and in manufactured products of forty per cent, with an increase in population of only ten per cent? It seems to me this is a problem for the research committee, that is, if the very efficient employees in the various government departments have not already investigated and reported on the matter.

Then we had another gentleman who came to this country at the request of the Dominion

government to carry on an investigation. I refer to Sir Josiah Stamp. He is quoted as having said:

> For Canada, a short wheat crop might prove an act of God which would start her forward again.

Surely here is a situation which someone or some organization should investigate. There is material enough here to keep this research council working for a great many days, I should think.

Now, I quote from a speech made by the Prime Minister on December 30 in the city of Regina, I believe. He said:

> The marketing of the wheat crop will still leave our agriculturists without a sufficient competence for the winter months, which will find them when the spring comes without the seed for next year's crop. I cannot make up my mind why this country, between the lakes and the mountains, should experience the depression; why people who have lived here for years should now find themselves without any accumulation of goods, sometimes without the bare necessities of life.

With all this confusion, and all this want of understanding with regard to the distress that prevails in this Dominion to-day, is it not really time that some committee of the kind proposed in this resolution should be appointed? Is it not time that we established such a research council to investigate and try if possible to bring about a solution for our problems? That, I think, was in the mind of the Minister of Trade and Commerce (Mr. Stevens) when he spoke last year at the special session of parliament. At page 320 of Hansard of that special session I find the hon. gentleman reported in reference to a suggestion made by the leader of the opposition (Mr. Mackenzie King) in connection with the return of people to the land as a solution for the problem of unemployment. The Minister of Trade and Commerce at that time said:

> For many years eastern Canada and the Pacific coast poured twenty or thirty thousand men annually into the western provinces during harvest time. Did any men go west for that purpose this year? The answer is that practically none went.
>
> Mr. Vallance: They rode in free.
>
> Mr. Stevens: Practically none went, and they are riding out free also. Why?
>
> Mr. Donnelly: Because of the combines.
>
> Mr. Stevens: Certainly, because of the introduction of modern machinery, combines and new harvesting machinery, which is doing away with the need for extra men. How then, in the face of this economic fact, can that solution mean anything? I would say to the hon. member for Winnipeg North Centre (Mr. Woodsworth), who is not just now in his seat, that I think at some appropriate time the house can very well discuss this problem of the displacement of man power by machinery.

[Mr. MacInnis.]

Perhaps this is not the time, but it is an economic problem which is challenging the attention of the world, and I want to say now that it must have the attention of this parliament sooner or later. The fact is that machinery is displacing man power on the farms of the west, and whether the right hon. gentleman likes it or not, whether he puts his tariff on a free trade basis or not, these things are happening and will continue to happen and the men will have to go somewhere to get food.

I regard this, Mr. Speaker, as being in line with what we have suggested in this resolution. Let it be understood in the first place that, as the hon. member for Wetaskiwin (Mr. Irvine) has pointed out, this is only a fact-finding body. It does not offer a program nor evolve a policy for the government to follow. It would find facts in relation to various matters brought before it, and if these facts appeared reasonable I presume that action could be taken in correlating them with different activities in order to improve conditions. If it submitted such facts the government would no doubt be in a position to take action. But it would not be necessary that action should be taken unless the government felt satisfied that the information which was disclosed warranted it.

Within recent years considerable progress has been made along many lines, the effects of which we are now feeling. Speaking the other day, the Prime Minister said he could not understand how it was that everyone seemed to want the government to do this, that and the other thing in the way of social service. The fact is that with the industrial revolution, as the hon. member for Winnipeg North Centre (Mr. Woodsworth) pointed out on Monday last, man was taken away from the land. About the year 1831, it was estimated that 90 per cent of the world's population were about that time living on the land, but when the industrial revolution came man was separated from the tools of production; and later on he was separated from his skill as a workman. Now he is not only separated from the tools of production and from his skill, but he is separated from the job itself by the automatic machine. Here, therefore, is a problem that needs to be met, a situation which would seem to come very well within the purview of such a council as has been suggested in the resolution of the hon. member for Red Deer (Mr. Speakman).

Speaking of the revolution that has occurred in agriculture, an interesting article appeared on October 30, 1930, in The Commerce of the Nation, written by Senator W. A. Buchanan, which article I think is well

worthy the attention of all hon. members of this house. The hon. senator begins his article thus:

Western agriculture has undergone a revolution. Unemployment is the result. Canada is in the throes of the dislocation which accompanies all revolutions.

Following that, he discusses the operation of a section of land of 640 acres at Stirling, Alberta. He states:

During the past two years the owner has sown 320 acres to wheat, averaging more than 30 bushels to the acre—10,000 bushels of wheat each year. He has sown the wheat in the spring, has cultivated his summer-fallow for the next year's crop, has harvested the crop and hauled it to the elevator; and he has performed every operation without an hour's help. With his own labour, and with the use of modern machinery, he has been able to operate a section of prairie wheat land, produce more than $10,000 worth of wheat each year, deliver it to the market and do every operation connected with the task himself.

He goes on to examine all the labour-saving machinery on the farm. I do not wish to suggest for a moment that there has not been some employment in the production of that machinery. But the fact is that the mobilization of labour in any particular place by the use of machinery and motor-driven machinery is displacing labour much more quickly than we can at the present moment provide for.

At the special session of parliament last year we made an appropriation of $20,000,000 to take care of unemployment. A part of that $20,000,000 was made available to the two large railway companies to pay the carrying charges on certain purchases which they really did not need to make at the time, but which was made in order to relieve the unemployment situation. But while the treasury was making that contribution what were the railways themselves doing? A few days ago a friend of mine who is in a position to know told me that where until recently 42 men were engaged in the Canadian National Railways Turcotte shop at Montreal in cleaning engines, through the introduction of machinery their number had been reduced to four. While we were thus helping the Canadian National Railways, the management, by the introduction of more modern labour-saving machinery, was displacing men possibly faster than we could take care of them. And the Canadian Pacific Railway has been doing pretty much the same thing. In the Vancouver Sun of October 20, 1930, appears the following news item:

A revolutionary change in operating system is planned by the Canadian Pacific Railway throughout the west in the next few months.

Locomotives on passenger trains will carry their loads as far as 1,200 miles in one run, instead of about 125 miles as under the present divisional system, it is announced by Mr. W. M. Neal, general manager of western lines.

Time saved at divisional terminals, where it no longer will be necessary to change engines, and the saving of locomotive maintenance costs as well as in the reduced number of engines required are reasons for the change, Mr. Neal said.

The new system also will enable the railway company to make wider use of its latest and more powerful engines, now available in only limited numbers.

Decision to extend the long-run system from Fort William to Vancouver follows an experiment made by the Canadian Pacific Railway last spring, when an engine hauled a train 1,252 miles from Fort William to Calgary in scheduled time, and retraced this mileage with another train, also in scheduled time.

Under the new system it will be necessary to have only five motive power divisions against fourteen formerly in use, Mr. Neal pointed out. One engine, for example, will carry through from Fort William to Winnipeg; a second from Winnipeg to Calgary; a third from Calgary to Field; a fourth from Field to Revelstoke, and a fifth from Revelstoke to Vancouver.

Success of the long-run system already has been satisfactorily established on one district, where 30 engines now do the work of 51, Mr. Neal stated.

Surely in view of such conditions bringing about a still greater degree of unemployment, there is every reason for the establishment of a fact-finding organization to enable the government to plan and act intelligently.

Whether the government likes it or not, economic conditions are making it more necessary each year that it take a greater part in the economic life of the nation. This afternoon it was pointed out what the function of government has been in the past and what it is believed to be to-day, but that the government is not keeping pace with the times. We have not to go back vary far in history to find that in the British isles, where we get our pattern for parliamentary institutions, government at first was in the hands of the king and the barons, that the development of constitutional government was very gradual, and that it was not until quite recently that the working people came to take any part at all in governing the country, and consequently it is only since then that their interests have been given any consideration by those in authority. The function of government in England up to within recent years was to find "spheres of influence" and secure export markets for their manufactured commodities. Foreign trade was occasionally forced on reluctant nations by the aid of the army and navy, the militia was kept at home to look after the workers. That, I

should say, until comparatively a few years ago was the prime function of government in Great Britain. To-day through the invention of labour-saving machinery more and more people are being out of employment and in every industrial country the government must of necessity take a closer and more active interest in the economic life of its people. The Minister of Trade and Commerce may say that already we are assisting research councils, but, I would remind him, these councils are not working in the interests of the people at large, they are working in the interests of the various industrial corporations, and these are mainly concerned in making a profit for their shareholders; they have not got at heart the interests of this Dominion.

Mr. STEVENS: If the hon. gentleman will pardon me, I know he would not want to do a grave injustice to a very excellent institution which is only semi-governmental. He is entirely wrong in his statement.

Mr. MacINNIS: In the way my hon. friend interprets my statement I may be wrong, but I submit that in fact I am not wrong. When the research bureau makes any discovery it is passed on to our various industrial concerns, and they use the information not for the good of the country, but for the profit of their shareholders.

Mr. STEVENS: That is not correct.

Mr. MacINNIS: If it is not correct I should like to know of one private organization whose shareholders are interested in forwarding the welfare of this country, that is, considering the country as an aggregation of individuals, and the welfare of each being given due consideration.

We all realize that we are going through critical times, As a matter of fact I think we all agree that possibly the government of Canada and the governments of the other countries of the world, have greater responsibilities to-day than ever before. I am quite sure that is true with respect to our federal government, and, speaking for the Labour section in this chamber, I say it is because we wish to help bring about the impending changes referred to with as little dislocation of industry and with as little suffering to the people as possible, that on every occasion possible we urge the government to take action and not wait until we have a crisis upon us that will possibly be altogether beyond our control. I am quite satisfied that that would not meet the wishes of some people, but it does agree with my views in regard to the proper organization of government. We have been twitted time and time again by speakers on the Conservative side of the house with not making suggestions, but it is rather strange that on the two occasions when we made specific suggestions, they were thrown back in our faces without any consideration whatsoever.

Mr. E. J. GARLAND (Bow River): I regret that the time at my disposal will hardly permit my analyzing the speeches that have already been made in this debate. Let me, however, say at the outset that I regard the proposal of the hon. member for Red Deer (Mr. Speakman) as one of the most important that have been brought before the house in recent years. The proposal is not by any means a new one. It has been intimated time and time again in speeches made by hon. members in this corner of the house that a complete social and economic survey of this country is a vital necessity. It is answered by both the Minister of Trade and Commerce (Mr. Stevens) and the leader of the opposition (Mr. Mackenzie King), that a broad interpretation of the existing act under which the National Research Council is constituted, permits of the very thing that we are asking for in this resolution. Well and good. If that be true, then they indict and condemn themselves for their inactivity in this regard. If the possibility for a full investigation into the economic and social conditions in this country exists, as they admit and, in fact, insist it exists, and if they have not, as they also admit, undertaken that investigation, they stand condemned out of their own mouths.

Has this matter been drawn to their attention recently? No later than last April I had the privilege of speaking in the house on the problem of unemployment and all that it involves. The leader of the opposition referred to that to-day and he submitted that it was the government's present duty—he said it in almost those words—to submit this problem for solution to the National Research Council. Last April I made these few humble remarks myself:

> I say to the Prime Minister—
>
> He is now the leader of the opposition.
>
> —that until he and his colleagues appoint a body to make a survey of economic and social conditions, a commission capable of intelligently analyzing this situation, he has not taken any step in the direction of a real solution of this problem.

Some months later the light dawned upon him and he now submits to the government that they have to refer this question to the National Research Council. This interpreta-

tion, belated, it is true, may be accurate. It may be correct that the National Research Council has the power to investigate these matters, but we have no evidence from any hon. member who has spoken so far in this debate, that any such question was ever at any time referred for examination, analysis, and solution, to any scientific body in the country. On the contrary, what do we find? We find in this country, one of the richest on earth, vast and illimitable resources to which people so glibly and eloquently refer both in election speeches and otherwise; we find a mechanical and technical equipment second to none in the world in proportion to our size and population; we find electrical energy in enormous quantity and of priceless value; we find a class of workmen who are skilled, energetic, adaptable, as able and intelligent as any class of workmen in any country and in any age. In view of this there is no sound reason why there should be any poverty in Canada. There is no sound reason why there should be any unemployment in this country, and I am almost quoting the words of the leader of the government during the last campaign when I say that. Every man and woman in this country willing to work should be able to lead a life not only of security but of comfort and plenty, and even have time to develop culture.

What is the case? What have we got? We have hunger and poverty around us in the capital city of Canada as well as in every other city. We have men and women discouraged with the struggle of trying to make a living under the adverse system under which we operate. We have people whose morale is being destroyed by the disappointment of every day that comes upon them, people underfed and undernourished, people whose vitality is being lowered, whose whole future outlook on life is being affected. We have to-day a system which not only has not solved the problems that it should have solved but, on the contrary, is pressing a growing mass of the people into further and further destitution. All that the resolution asks this house is that a special scientific body of some kind be appointed to examine into this condition of affairs, find out the basic factors causing this condition, and offer solutions. This parliamentary institution is wholly unfitted for that kind of work. Hon. members have such multifarious, petty little duties to perform that the average member has no time to make an exhaustive examination into economic conditions, much less submit a proposition, and, as the hon. member for Wetaskiwin (Mr. Irvine) has said, often when they are submitted to the house, they are discounted as coming from faddists and cranks. But I am sometimes reminded when you have not a self starter, you have to have a crank.

The view that parliament is not fitted to examine into and give intelligent consideration to the basic causes of conditions as we have them, or to provide solutions, is not confined to hon. members in this corner. Even such a well known world figure as the Right Hon. Winston Churchill, speaking not long ago at a meeting of English industrialists, said that parliamentary bodies are practically useless for dealing with economic questions and in that regard should be superseded. He goes further and says:

> At this stage we ought to have the proper machinery for considering great economic issues.

He goes further and says:

> I do not think party machinery is going to do the job well.

That is only too true. Coming from a man of such well known party inclinations and partisan views, his words bear some weight. Let me quote the views of another internationally known gentleman, Mr. Owen D. Young who, speaking at the Lotos club in New York, expressed similar doubts as to the efficacy of political mechanism in dealing with a world economically out of joint. He said:

> That our politics and our economics are in conflict everywhere in the world to-day, he said, is due to the fact that economics are necessarily international, while politics are predominately national, and increasingly so in every country.

That point has been emphasized by other speakers. Apart altogether from the present depression through which we are passing, this so-called cyclical depression that has visited its evil on all the world, a type of depression that has visited this world four times, there having been two major and two minor ones during this short period, there has occurred on the North American continent a depression thirteen or fourteen times since constitutional government was established here. Apart altogether from that, you have the technological causes of unemployment and depression. The hon. member for Vancouver South (Mr. MacInnis) has dealt with that and I need not elaborate it except to point out to the leader of the government or whoever is taking his place, and the leader of the opposition, that in the last few years nearly three million people have been displaced by labour saving devices in the industries of the North American continent. Yet the inventive genius of man is not equal to the task of absorbing

that enormous and steadily increasing number of unemployed. Apparently we have nobody definitely committed to the task of studying that problem and finding out what the causes are and what the remedy may be.

If you want to find other things to examine into, I might submit the single problem that the problem of Canada is not the problem of India, the problem of India is not the problem of England, the problem of England is not the problem of Germany; but they are all inter-related in some way or other. The problem in India to-day is the problem of a deliberate policy of demonetizing silver—at appalling piece of fraudulent banking policy which has brought disaster on all oriental countries, and even on countries in the southern parts of this continent, a policy which has had its effect on the export business of every country in the world that ever did business with the orient. I remember the Right Hon. Arthur Meighen, speaking not long ago before the Canadian Press convention in Toronto, where he pointed out very eloquently and clearly to the press men, and to the whole country, that the wealth of a thousand million people—think of it, Mr. Speaker—has been cut in two by a deliberate cold-blooded callous banking policy on the part of the British authorities in their endeavour to force India on to a gold basis. May I say to my hon. friend the Minister of Trade and Commerce (Mr. Stevens) that his former leader is strangely in discord with the views which he expressed earlier in this debate this afternoon. The minister of Trade and Commerce took issue with the hon. member for Red Deer (Mr. Speakman) upon the statement in the resolution to the effect that the problem of production had been largely solved, and he endeavoured to read into the resolution itself and into the utterances of the hon. member for Red Deer, an intention or an expression that was never at any time clear to anyone else in this house. The minister asked: Would the hon. member have industrial activity limit itself in its further progress? Surely no such intention has been expressed by any hon. member on this side of the house. Indeed, our whole hope is that we may be able to devise a distributive system that will absorb not only all that we produce, but all that we as human beings demand under modern standards of living. That is all we seek. The Right Hon. Arthur Meighen said in that speech to which I have just referred:

[Mr. E. J. Garland.]

With a condition which approaches a superabundance of all things which should create happiness, thrift would merely intensify the situation by lowering the consumption of commodities.

I submit that also to the leader of the government, who is an authority on thrift, for everybody else. Mr. Meighen said further:

Do not let us bow in eternal adulation of the leadership of those who have led us so far.

I wonder if he would like to come back some time. I wish he would.

Mr. LAVERGNE: I hope so.

Mr. GARLAND (Bow River): I do, too. He was one of the finest debaters that ever stood in this house, and a man whose broadening views become apparent in utterances of the type to which I have just referred. He says further:

How can we cure a condition of superabundance by refusing to absorb of that abundance? We just do not seem to be able to make available the surpluses of the world's goods which strike the eye at every turn.

I congratulate Mr. Meighen on his utterance, and I submit that the Minister of Trade and Commerce might continue to follow in the footsteps of one whom he admired so intensely and so justly at one time.

Mr. STEVENS: I entirely concur in those views.

Mr. GARLAND (Bow River): I am glad to hear that; I did not gather it from the hon. gentleman's speech. Dr. Jacks is a well-known economist, and I shall quote him because he presents, I submit, the condition in which this country and others now find themselves. My own words could not as adequately describe those conditions. Dr. Jacks says:

Whither mankind?—why are we asking this question to-day? I think we are doing so, not out of mere curiosity, but because we are getting anxious. We are not quite sure either where we are going or even where we are. We feel ourselves drifting—but whither? We are like people on a great ship, full of treasure and of human life, which has lost its bearings in the night. The navigating officers are bewildered, the crew are getting mutinous, and the passengers, both first class and third, have got wind that something is wrong. Breakers ahead have been reported, and when we look over the side we see that we are drifting. We are getting apprehensive about the future.

We have reason to be. Only the other day I heard one of the most eminent of living sociologists, Professor William McDougall, say these words in public: "Western civilization is in imminent danger of collapse. Nothing but wise human effort guided by human science can prevent it collapsing." To which I would add

my own belief that wise human effort, if it is sufficiently prompt, can prevent the catastrophe. Given that effort, I look with hope to the future: failing that effort, I feel sure we shall be on the rocks. We are drifting and there is a lee shore not far off.

No finer words could be used to describe the general economic and social conditions in which this and other countries find themselves, and no better advice could be given to the government at the present time than to undertake now some definite planning for the future. But they cannot plan, as the hon. member for Wetaskiwin (Mr. Irvine) so eloquently said, until they know what they are going to plan for; in fact, until they know why the present conditions are.

What is the outlook, apart altogether from what Dr. Jacks has said? I take up a reputable paper, one to which even my hon. friends opposite can take no objection. Business Week, of New York, in a recent editorial said:

> Business continues to crawl along the astonishingly flat trough that has lasted more than four months. Week to week, and even month to month, the movements are slight, sporadic, still insignificent . . . . Moves for major international conference action to meet the emergency and check deflation are apparently at last developing around Governor Norman's visit, but further drift and delay are likely until a third winter of unemployment looms, so long as our official and financial economics emulates the ostrich, the original optimist.

The original optimist is particularly good. That is about all we have in this country, a lot of original optimists. They hope for the best without being willing even to look into conditions, much less to plan for a solution of them.

Mr. STEVENS: Would it not be necessary before any such examination of economic conditions could be carried out, to make a very careful survey of the situation?

That survey is now being made through the census staff, as rapidly as it can be made.

Mr. GARLAND (Bow River): I submit that in so far as the census staff this year has been committed for the first time to an examination as to the extent of unemployment and the causes for it, in so far as the individual is able to tell the census official—you go to the average man who is unemployed and he will tell you that he is unemployed but he cannot tell you the cause of his unemployment; who can?—

Mr. STEVENS: There is not merely that, but the industrial investigations that accompany it.

Mr. GARLAND (Bow River): All the information that can possibly be secured by these additional inquiries by the census takers this year is in large part already known to the government. The government has already made estimates of the number of unemployed in this country, and has made an estimate of the condition of industry in this country with a view to tariff action. I do not think we can afford to wait till after the census is taken before appointing a body such as is proposed in this resolution. My answer to the minister's question is that most of that information the government already has.

Mr. WOODSWORTH: We might wait until after a tariff census before we undertake any increase in the tariff.

Mr. GARLAND (Bow River): That is good. I wonder how that would suit hon. gentlemen opposite? I do not hear any loud approval, any strident applause or "hear, hear's" from those ranks at the present time.

In conclusion, I would ask the following question: If any one of the business men in this house, either to my right or opposite, were asked to go to a far distant country or far distant planet, if he could be sent there for the purpose of abolishing the insecurity of work, and if when he got there he found bursting granaries, fruits and vegetables rotting in the fields, farmers on the verge of bankruptcy, clothing factories, shoe factories and all kinds of factories either closed or working part time because those who needed the goods did not have the means to buy them, and those who were willing to produce the goods and ready to go to work could not be put to work; if he found outside the factories which were running on part time long lines of men poorly clad and under fed, workers simply begging for a chance to go back to work at pay requisite to keep themselves and their families from starvation; if finding that in the major part of the industrial centres he then visited the outskirts of the towns and discovered that in the most beautiful part of the country there were great, handsome, luxurious homes with attractive and spacious grounds and occupied by only a few people, a very small group in comparison with the total population—the owners of the factories, the owners of the shops, the owners of the banks—living in mansions beyond the dreams of previous generations intent only upon enjoying life and devoted to the art of spending money, the art of wasting; if he found a small group, corresponding to the 603 people in Canada who pay income tax on

$50,000 a year or over, who were able to dispose of only a part of their incomes, and that the balance had to be put back into more industrial plants for the production of more goods which could not be bought by those who did the work of producing them,—if he found all that I wonder what hon. gentlemen would say about such an unsound condition of affairs. Yet a moment's reflection would show that that is exactly the position with which we are confronted to-day. In a sentence, we have six hungry men here and six loaves of bread there but we cannot introduce the loaves of bread to the hungry men.

Mr. LAVERGNE: Was that not said on the mountain about two thousand years ago?

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

Thursday, May 7, 1931

The house met at three o'clock.

PRIVILEGE—MR. GOBEIL

Mr. SAMUEL GOBEIL (Compton) (Translation): Mr. Speaker, I wish to raise a question of privilege. I hold in my hand a newspaper of Quebec, dated yesterday which claims to have correctly reported the comments I made in the house on Tuesday evening. I find, according to this newspaper, that I opened my speech with the following remark: "I regret that the right hon. Prime Minister is not in his seat." Now, the words that I did use were the following: "I notice that the right hon. Prime Minister (Mr. Bennett) is not in his seat" and they thus appear in Hansard.

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): What newspaper do you refer to?

Mr. GOBEIL (Translation): The Evénement.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

EPHREM RENAUD—THE PAROLE SYSTEM

*Mr. RINFRET:

1. Was one Ephrem Renaud, of St. Eustache, Quebec, recently liberated on parole from the St. Vincent de Paul penitentiary?
2. If so, what was the length of his sentence, and how long was he detained in said penitentiary?
3. By whose recommendation was he liberated?

[Mr. E. J. Garland.]

Mr. RINFRET: With reference to this question, Mr. Speaker, I notice that when it was called yesterday the right hon. Prime Minister (Mr. Bennett) took the attitude that it was not a proper question to ask, stating that it had not been the practice in the past for governments to reply to such questions. I would point out briefly, however, that this question of mine is quite different from questions or demands of a similar nature made in the past. The last occasion on which a question of this kind was asked in this house was on March 12, 1930, when the hon. member for Southeast Grey (Miss Macphail) submitted a motion for a copy of all papers, letters, telegrams and other documents concerning a certain case of liberation. May I point out further that I am not asking for any confidential reports or documents; I merely wish to make certain of a group of facts where a certain person has been liberated—what was the length of his sentence, how long he had been detained, and so forth. These are facts; there is nothing in the nature of a demand for confidential reports. There is another point I would also make. When the Hon. Lucien Cannon, the predecessor of my good friend the present Solicitor General (Mr. Dupré), refused to produce such documents, he made it very clear that he had examined the case, and he took the responsibility for refusing the production of those documents. In other words, someone must be responsible for cases of this kind. If the government does not desire to give to parliament information concerning cases of liberation, at least we should have a pronouncement from one of the ministers—and I think it should come from the Solicitor General—that he has looked into the matter and is quite satisfied that the case has been properly handled, and that for such reasons he does not desire to give the information. But the mere refusal to answer the question, without any acceptance of responsibility, is not, in my opinion, in conformity with responsible government. Someone must be responsible for any liberation on parole granted on the recommendation of the Solicitor General—

Some hon. MEMBERS: Order.

Mr. RINFRET: —and if the government cannot supply the information—

Some hon. MEMBERS: Order.

Mr. RINFRET: —they should take the responsibility.

Mr. SPEAKER: The hon. member has explained in sufficient detail the nature of his question.

Mr. RINFRET: I am sorry you did not call me to order sooner, Mr. Speaker. I am through.

Mr. BENNETT: Yesterday I made certain observations with respect to this question. This is a matter that touches, not the Solicitor General nor the Department of Justice, but the conduct of government. The question as to whether or not information of this character should be given is a question that has engaged the attention of successive administrations, and the rule has been not to furnish such information. And until the matter is properly debated and another conclusion has been arrived at, which would involve making known to the public every case that is dealt with—for one means all—the government does not propose to depart from that rule. May I point out that the responsibility is that of the government, because it is His Excellency the Governor General who acts upon the advice of his ministers. They accept the responsibility; it is provided by statute; and as one case means all, then until this house, by proper notice of motion and subsequent discussion and debate, has arrived at a conclusion other than that which I have indicated, the government, I repeat, does not propose to depart from the rule.

Mr. LAPOINTE: May I ask my right hon. friend if that applies to Nos. 1 and 2 of the question?

Mr. BENNETT: Yes.

Mr. LAPOINTE: But they are merely questions of fact.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: They merely inquire whether a certain man has been liberated. I quite understand the objection that might be raised to No. 3—by whose recommendation he was liberated. This involves confidential reports, and in the interest of justice these confidential documents ought not to be given to the public. But as to the question whether a certain man has been in gaol and has been liberated, I think the public has a right to know.

Mr. BENNETT: If I may speak again with the consent of the house, may I observe that that has not been the rule. Indeed, this house on a previous occasion went so far as to sustain the judgment of those responsible, that even names should not be brought before the chamber; because the theory of the law is the exact opposite of that. If it is thought desirable that information of this kind should be given, and a notice is put on the order paper, I am content that the matter should be debated, and that the fullest opportunity be given the house to determine what action shall be taken. But this would certainly involve a principle which I would oppose—the production of names. If the ex-Minister of Justice (Mr. Lapointe) will consider the matter, he will realize that even the mere giving of a name involves the question of adequacy of sentence, the sufficiency of reasons, and the bona fides of the action taken. I have heard them impugned in the days of my hon. friend and I have never lent assistance to such criticism because I have felt that it was one of those matters with respect to which, once you have introduced discussion in this house as to whether or not political or other considerations have had an influence in the action taken, you destroy the whole foundation upon which the provisions of the statute were built. However, Mr. Speaker, I repeat that if this house desires that the matter be discussed I shall endeavour to afford every possible opportunity to those who may put the necessary notice on the order paper to have it debated.

Mr. RINFRET: But in the meanwhile—

Mr. BENNETT: In the meanwhile the practice that has heretofore prevailed will continue to be observed, and no information wil be given.

Mr. RINFRET: In the meanwhile I would ask either the Solicitor General or the Prime Minister whether such information is available privately at the department.

Mr. BENNETT: I will treat that as a question on the order paper and we will investigate and see what the practice has been. I know what the practice is in the Home Office, because there was a little volume issued last year in respect of the conduct of business there.

Mr. POWER: You are Prime Minister of Canada.

Mr. BENNETT: I am glad my hon. friend realizes it. He does so rather late in the day, but that is immaterial. However, the practice which has prevailed heretofore in this matter will, I repeat, be observed in this case.

Mr. RINFRET: May I say further, with the consent of the house—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The government declines to answer the question as it stands on the order paper.

Question stands.

CANADIAN NATIONAL RAILWAYS—NEW CARLISLE WORKSHOP

Mr. MARCIL:

1. Is the Canadian National Railways operating a workshop at New Carlisle, Quebec, and if so, how many men are employed?
2. If Campbellton, New Brunswick, is made the terminus of the Gaspe railways, will the workshop at New Carlisle continue to exist?

Mr. MANION:

1. Yes, 14 men employed at present.
2. Yes.

WHARFINGERS AND LIGHTHOUSE KEEPERS

Mr. VENIOT:

How many wharfingers and lighthouse keepers were dismissed between the 7th of August, 1930, and the 27th April, 1931, and what were the reasons assigned for such dismissals?

Mr. DURANLEAU:

(a) Number of wharfingers dismissed—Reasons for dismissals

1, neglect of duty; 10, political partisanship; total, 11.

(b) Number of lightkeepers dismissed—Reasons for dismissals

8, neglect of duty; 1, in the public interest; 1, farming out duties; 36, political partisanship; total, 46.

HOUSE OF COMMONS—SESSIONAL CLERKS

Mr. CAMPBELL:

1. How many sessional clerks are employed in the House of Commons?
2. What are their names, and what salary does each draw?

Mr. BENNETT:

1. 13.
2. A. Aube, $4 per day; G. H. S. Campbell, $6 per day; W. A. Code, $4 per day; M. Cote, $4 per day; L. Coulombe, $4; C. Courcelle, $4 per day; E. Cyr, $4 per day; M. Diotte, $4 per day; A. Drolet, $4 per day; E. Gourre, $4 per day; T. L. Maloney, $4 per day; C. W. Meneilley, $4 per day; J. P. Rioux, $4 per day.

HOUSE OF COMMONS—FILE CLERKS

Mr. CAMPBELL:

1. How many file clerks are employed in the House of Commons?
2. What are their names, and what salary does each draw?

Mr. BENNETT:

1. 4.
2. Miss D. Bond, $3 per day; Mrs. M. Klock, $3 per day; Mrs. M. Lett, $3 per day; Miss A. Parizeau, $3 per day.

[Mr. Speaker.]

PORT HAWKESBURY, N.S., PORT PHYSICIAN

Mr. DUFF:

1. Has J. R. McLeod, Esq., M.D., C.M., of Port Hawkesbury, in the province of Nova Scotia, been dismissed from his position as port physician?
2. When was he appointed to said position and how long was he in the service of the government?
3. What is the reason for his dismissal?
4. Who recommended said dismissal?
5. Was an investigation held and by whom?

Mr. MacLAREN:

1. Yes.
2. 16th August, 1911. From 16th August, 1911, to 13th July, 1912. From 1st November, 1916, to 15th May, 1931.
3. Political partisanship.
4. Dr. McLeod was dismissed by authority of an order in council which was adopted on the recommendation of the Minister of Pensions and National Health.
5. No, the established practice was followed of accepting the statement in writing of the member representing the constituency of Inverness that to his personal knowledge Dr. McLeod was guilty of political partisanship.

CANADIAN NATIONAL RAILWAYS—BONAVENTURE EMPLOYEES

Mr. MARCIL:

1. Is it true that 18 employees of the Canadian National Railway shops at New Carlisle, Bonaventure county, Quebec, have been notified that their services will be no longer required after the first of May?
2. Has a request been made to the Canadian National Railway Company to suspend this order and give the men work for three days per week?
3. If these dismissals are persisted in, will the said shops be kept in operation?
4. If not, where will the work, done by these men, be done in the future?

Mr. MANION:

In reply to the inquiry, Sir Henry Thornton writes the minister as follows:—

"We did lay off eighteen employees in the locomotive department and one in the car department at New Carlisle on April 30th. This was on account of the reduction in traffic and general repairs to engines being made at Moncton. Regular train service on the Gaspe lines is daily passenger and tri-weekly wayfreight service between Gaspe and Matapedia. We originally had thirty employees in the locomotive department, and three in the car department, and the fourteen that we have retained on the force are all that are required under the present conditions.

"I might say for your information that whatever facilities there are at New Carlisle for the repair of locomotives and cars are obsolete

and inefficient, and arrangements were therefore made to transfer general repair work to Moncton where an efficient and up-to-date plant exists. We cannot transfer the surplus employees from New Carlisle to displace other men in the employ as they do not hold seniority, and the additional work which will have to be taken care of in Moncton will be done without increased staff.

"Following the taking over of the Gaspe lines, some of these men were engaged in dismantling old equipment and other temporary work, but the time has arrived when there is no work for them to do, and therefore it has been necessary to reduce the staff as indicated above."

POSTAL LETTER CARRIER SERVICE

Mr. MARCIL:

When will the postal letter carrier service be introduced in Ottawa west, Westboro, Woodroffe, Laurentian View and other parts of Nepean township?

Mr. SAUVE:

Not until economic conditions improve to such an extent as to warrant the department making extensions of this expensive service, and then only when and to that portion where local conditions under which such a service is given are satisfactory to the department.

AUSTRALIAN TREATY

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, would the hon. Minister of Trade and Commerce (Mr. Stevens) be good enough to indicate to the house when he expects to be in a position to make an announcement with regard to the new Australian treaty.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, this treaty is under negotiation at the present time; as soon as it has been completed and it is proper to do so, prompt announcement will be made.

QUEBEC HARBOUR COMMISSION

SALARIES OF EMPLOYEES

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I wish to put a question to the hon. Minister of Marine (Mr. Duranleau). The newspapers publish an interview given by the Chairman of the Quebec Harbour Commission, Mr. O'Meara, to the effect that the question of salaries paid to employees of the Harbour Commission is under the control of the Minister of Marine, and that he has no knowledge of the Minister's intentions. I wish to inquire whether that is the case and whether there is any truth in the rumour that salaries are to be reduced.

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, I have not read the report of the interview to which the ex-Minister of Justice (Mr. Lapointe), refers. Although I intend to exercise a reasonable control over the harbour commissions, as regards salaries, I have not so far received from the Quebec Harbour Commission any request to determine or help to determine the salaries of the employees of that commission.

Mr. LAPOINTE: Any action taken should originate with the commission itself?

Mr. DURANLEAU: Unless we discover that the salaries paid to employees of these boards are exorbitant, the Minister of Marine has no intention to intervene. However, we are of the opinion that the employees of the harbour boards should receive about the same salaries as are paid to civil servants.

Hon. FERNAND RINFRET (St. James): Would the minister interevene if the salaries were too low? I remarked that he stated he would interfere only if the salaries were exorbitant.

Mr. DURANLEAU: I think that in such a case the Minister of Labour (Senator Robertson) would step in.

BORROWING POWER

On the orders of the day:

Mr. C. G. POWER (Quebec South): Would the Minister of Marine be so obliging as to inform the house whether he has the intention of introducing, this session, a bill to empower the Quebec Harbour Commission to borrow money from the Dominion government?

Hon. ALFRED DURANLEAU (Minister of Marine): I am not in a position to answer this question at present; the commission must first make a request to borrow money.

Mr. POWER: Was such a request made?

Mr. DURANLEAU: When such a request is made, it will be given due consideration.

CANADIAN FARM LOAN BOARD

On the orders of the day:

Mr. W. T. LUCAS (Camrose): Mr. Speaker, I would like to ask a question of the right hon. Prime Minister (Mr. Bennett) in his capacity as Minister of Finance, based on a number of protests I have received from borrowers under the Farm Loan Act, that undue pressure is being used at this time in making collections. We realize that the matter of repayment must be kept before the attention of borrowers at all times but these letters would indicate that the notices sent out are of a very peremptory and harassing nature and it would not seem that any consideration is being given to the unusual financial conditions which prevail at the present time. Is it the wish of the right hon. the Prime Minister that such a course should be pursued at this particular time?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, there seems to be a misapprehension as to the relation of the farm loan board to the government. In view of that misapprehension I shall make a statement to-morrow bearing on the question asked by the hon. member for Camrose (Mr. Lucas).

SOLDIER SETTLEMENT BOARD

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I believe the remarks of my hon. friend on my left (Mr. Lucas) were directed more to the soldier settlement board.

Right Hon. R. B. BENNETT (Prime Minister): No, he said the farm loan board.

Mr. NEILL: Then I will repeat the question in regard to the soldier settlement board, which is directly under the control of the government.

Mr. BENNETT: The answer in that regard will be furnished to-morrow by the minister. It is obvious that we cannot give an answer without looking up the records.

RADIUM DISCOVERIES

On the orders of the day:

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, I would like to ask the hon. Minister of Mines (Mr. Gordon) if the government has knowledge of the reported discovery of radium in the Northwest Territories, at Great Bear lake, if it is proceeding to investigate the value of those deposits and if it intends to take steps to secure the control of them for Canada.

[Mr. Duranleau.]

Hon. W. A. GORDON (Minister of Mines): Mr. Speaker, the question of the control of radioactive ores in Canada has not been considered very seriously by any government. As hon. members likely know, the main source of radium to-day is in the Belgian Congo. An attempt was made some years ago to extract radium from ores in the southwestern United States, but that was discontinued. A number of discoveries of radioactive ores have been made in Canada, some having been made recently in Ontario and others in the Northwest Territories at Echo bay. The department of Mines has lent some assistance by way of investigation and laboratory tests to those who are engaged in this work in order to determine the value of the deposits. It is not the duty of the department to certify as to the extent or possible value of these deposits, but the department is interested in assisting in the identification of these ores. As to the government taking over the properties which have been located and staked by prospectors, that matter has not been seriously considered by any government although it is one to which some attention might be given.

RANFURLY POST OFFICE

On the orders of the day:

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I have received a petition signed by fifty-five petitioners in the village of Ranfurly, protesting against a ruling by the Post Office Department ordering that the post office lobby be closed on Sundays. I would like to ask the Postmaster General (Mr. Sauvé) whether that ruling is in accordance with some recent regulation of the Post Office Department to be applied generally in Canada, or whether it is to apply only in the case of Ranfurly post office.

Hon. ARTHUR SAUVE (Postmaster General): Will the hon. member be good enough to put that question on the order paper and I will then give an answer.

DEPARTMENT OF MARINE

FRENCH VERSION OF REPORT

On the orders of the day:

Mr MAXIME RAYMOND (Beauharnois): Mr. Speaker, I wish to put a question to the hon. Minister of Marine (Mr. Duranleau). About a month and a half ago, on March 23, to be exact, the hon. Minister of Marine laid on the table the 63rd annual report of the Department of Marine, for the fiscal year

1929-1930. On many occasions since that date, and to-day also, I inquired at the Distribution office for the French version of that report and the answer has always been that they only had the English version. May I inquire from the minister how long must we wait for this French version to which we are entitled?

Mr. SPEAKER: If the hon. member for Beauharnois (Mr. Raymond) chooses to direct a question to a minister or to the government, he has a right to do so, but he should not make a speech at this period.

Mr. RAYMOND (Translation): I think, sir, if what I have just said had been well understood, it would have been noticed that I made no speech but that I had simply asked a question. To justify my question, I first had to state the facts to the house.

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, the question asked equally concerns the hon. Secretary of State (Mr. Cahan), as regards the printing of the report. As to the translation, I shall see that it is completed without further delay, if it has not already been done; for we want all reports in both languages, to be at the disposal of the house in the shortest delay possible.

CANADIAN NATIONAL RAILWAY

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, would the hon the Minister of Railways and Canals (Mr. Manion) advise the house if, in adding to or supplementing the directorate of the Canadian National Railways, consisting of fifteen members, in order to include the provinces of Saskatchewan and Alberta, he intends, in the representation to be effected, to give representation to agriculture in those two provinces?

Hon. R. J. MANION (Minister of Railways and Canals): The matter is under consideration.

TRANS-CANADA HIGHWAY

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, a Canadian Press despatch of the 6th instant reports that Mr. Ralph Webb, mayor of the city of Winnipeg, has strongly urged the present government to construct the trans-Canada highway as a federal undertaking rather than a provincial one. Mr. Webb states that such an undertaking would relieve the present unemployment situation as it would give employment to 25,000 or 30,000 workmen for three years. Would the Prime Minister (Mr. Bennett) inform the house as to the attitude of the government in this regard?

Right Hon. R. B. BENNETT (Prime Minister): I am glad one hon. member realizes that. The question will be answered in due course.

DOMINION CONVERSION LOAN

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): A few days ago the Prime Minister made mention of a national bond issue which the government has under consideration and I think he intimated he would have a further statement to make. As the press is giving a good deal of attention to the matter, perhaps he would inform the house.

Right Hon. R. B. BENNETT (Prime Minister): Before the orders of the day were proceeded with I intended to inform the house that I proposed to make a statement to-morrow before the orders of the day are called.

SURVEY OF NATIONAL PORTS

On the orders of the day.

Mr. THOMAS REID (New Westminster): I understand that a commission under Sir Alexander Gibb is coming here to make an investigation into the harbour boards of Canada. I should like to ask the Prime Minister if he will consider the harbour board of New Westminster as coming within the scope of that inquiry?

Right Hon. R. B. BENNETT (Prime Minister): I have no difficulty in answering this question. I will consider the harbour board of New Westminster. I had occasion to do so recently when their half-yearly interest fell due.

OCEAN RATES ON CATTLE

On the orders of the day:

Mr. H. A. MULLINS (Marquette): In view of the Manchester Lines carrying another deck of cattle, I wish to ask the Minister of Agriculture whether the rate remains at $15 per head. I am told there was an attempt to raise the rate to $17.50 a head.

Hon. ROBERT WEIR (Minister of Agriculture): There was an attempt to raise the freight rate to $17.50 a head, but I understand the rate is still to remain at $15 a head.

SUPPLY—AGRICULTURAL CONDITIONS

CONTINUATION OF DEBATE ON MOTION OF MINISTER OF FINANCE AND AMENDMENT OF MR. BROWN

The house resumed from Tuesday, May 5, consideration of the motion of Mr. Bennett for committee of supply, and the amendment thereto of Mr. Brown.

Mr. HARRY BUTCHER (Last Mountain): I wish to speak in support of the amendment that was moved by the hon. member for Lisgar (Mr. Brown) and I am led to do so because I cannot but believe that the Prime Minister, his colleagues and supporters are not yet fully seized of the facts in connection with the unfortunate condition in which the agriculturists of this Dominion find themselves at this time. I am led to the conclusion that the right hon. Prime Minister (Mr. Bennett) in particular is unaware of the actual facts, and I am led to that conclusion because of statements that the right hon. gentleman has himself made and because of conclusions that he has drawn from the facts to which he referred in those statements. I am also led to the conclusion that that is the case because the government has not shown the same alacrity in dealing with the requests of the farmers as it has in dealing with the requests of other classes. Let me illustrate this by pointing out that when the manufacturers of barbed wire—and I presume they are not numerous—approached the government, the government was very quick to respond to their request and to fix a price for duty purposes on barbed wire, on the ground that barbed wire was being imported into Canada against the interests of the producers of barbed wire in this country. Precisely the same thing happened when the refiners of gasoline approached the government and again when the manufacturers of cars did so.

I have already, once in the house during this session, sought to enumerate the ills of the farmers in western Canada and I do not apologize for endeavouring to-day to repeat some of the statements that I then made. I do not hesitate, because of certain statements made recently by the Prime Minister himself. I remember that on one occasion the Prime Minister said in this house that hon. gentlemen opposite, referring to us on this side, had made statements that could not be substantiated. At the same time he said that we had made exaggerated statements as to conditions that prevailed in western Canada. He went further than that and said we had broadcast throughout the country statements that could not be substantiated in any manner or form. The right hon. gentleman did not enumerate the statements, but I imagine that he was referring to statements that have been made on this side to the effect that many farmers in western Canada are insolvent. I believe I was one of the first offenders in that respect. I remember saying in my first address in this house, my maiden address on a major debate, that I fully believed in my own constituency at least sixty per cent of the farmers were insolvent, and I repeat that statement to-day as being my honest conviction.

Mr. SPEAKER: May I ask hon. members to refrain from indulging in loud conversation while an hon. member is addressing the chair. In this building there are many offices provided for the transaction of business and also spacious lobbies.

Mr. BUTCHER: I should like to explain my understanding of the word "insolvent." I was using that word in the ordinary every day acceptance of the term. Who is the insolvent man? He is the man who is possessed of money, goods and land to a certain amount, and at any given date that amount is less than the total amount of his liabilities. That being the case, I affirm again that a large majority, in my opinion sixty per cent of the farmers in my constituency are to-day insolvent.

The Prime Minister, in refuting statements that we had made and in proof of his contention that they were exaggerated, made three major statements. In the first place he said that tens of thousands of farmers in the west had money in the bank. Then he said that new wealth to the extent of $1,900,000 had been produced in the west during the last three years. Finally he said there were a large number of cars in the western provinces and he suggested that the possession of those cars indicated that the statements we had made were exaggerated. I admit without any qualification whatsoever the truth of those three statements made by the Prime Minister; they are irrefutable. But I go further and say that they neither prove his contention nor disprove ours.

In the first place he said that tens of thousands of farmers had money in the bank. There is not the slightest doubt that that is true. But it is a very vague statement at best. There may be men who have a few dollars in the bank. There may be men who may have lots of money in the bank. There may be men who this spring obtained an advance from the bank, and then deposited the proceeds to their credit in the bank, and who

may now have a small amount which will be gradually diminishing during the summer. But if every one of the tens of thousands of farmers that the right hon. gentleman speaks of have a large amount of money in the bank, our statements may yet be true.

May I draw attention to the fact that according to the census returns of 1926 there are in the three provinces that the right hon. gentleman mentioned 247,162 farmers. Taking my own statement that 60 per cent of these men are insolvent, what do we find? Sixty per cent of 247,162 is 148,000. That still leaves approximately 100,000 farmers who may have money in the bank. So I say again that the right hon. gentleman's statement to the effect that there are tens of thousands of farmers in the west who have money in the bank neither proves his contention nor disproves ours.

Then he said that since 1928, $1,900,000,000 of new wealth had been created in the west, and in addition there was $100,000,000 of new wealth created in the great mining areas in the three western provinces. That sounds like affluence, I admit. It sounds as though we were wealthy in the west. But I think it is advisable to analyze the statement and see what it produces.

The population of the three prairie provinces, according to the 1926 census returns, was 2,175,900. Very good. We find that the wealth produced per capita for the three years was $873.21 and the wealth produced per individual per annum, $291.07. The figure quoted by the right hon. gentleman was the gross agricultural wealth. It allowed absolutely nothing for the cost of producing that wealth. In the year 1928 it is very probable that the cost of production bore a reasonable ratio to the amount of wealth produced. In the year 1929 it was not so good, and in the year 1930 the cost of producing was greater than the value of the new wealth produced. I could produce all kinds of evidence to this house to show that such is the case, but I want to read a quotation from a letter that I received two or three days ago. It is a letter from a very reliable farmer who has been farming in our district for approximately thirty years, a man who takes no active part in politics, has no axe to grind, a hard-working man and a good farmer, with three sons to assist him in the operation of about nine hundred acres of land. This is what he says:

> Well, I took my usual inventory and made up my books for the year on April 1st. My profit and loss account showed that the operations on the farm for 1930 were a loss of nearly $2,500.

He says further:

> Still, we will try again. There are lots who say they won't. It is the first time in thirty years that I have farmed that I have seen the western farmers' morale so low.

I say to this house without fear of successful denial that the production of new wealth for another year or two more on that basis will certainly bankrupt the west. Close to the farm occupied by the writer of this letter, there is another farm of about nine hundred acres, farmed by four brothers, splendid men in every way, hard-working, intelligent, excellent farmers, with only one failing that I know of, and that is that they would never support me as a candidate for election. These men have assured me through a mutual friend that they made a loss on their operations last year. What is true of those two farmers is true of hundreds of thousands of farmers in western Canada. We do not want to go on producing wealth on the same conditions as those under which these men produced new wealth last year.

The right hon. the Prime Minister in his remarks said that we on this side of the house had stated that the western provinces were going into bankruptcy. He said it unintentionally, I think, but he did make that statement, as you will see if you look up Hansard. No speaker on this side of the house said that either of the provinces or all of them were likely to go into bankruptcy. We did not say that the whole of the farmers were going into bankruptcy. What we did say was that a reasonable proportion of them were.

Mr. BENNETT: Would the hon. gentleman point to where I made the statement about the provinces going into bankruptcy?

Mr. BUTCHER: I shall be very pleased to do that. May I quote from his remarks?

Mr. BENNETT: Yes, I want to hear how it is put.

Mr. BUTCHER: At page 779 of Hansard the right hon. gentleman is reported as follows:

> Hon. gentlemen opposite who come from these provinces—

He had been referring to the provinces of Manitoba, Saskatchewan and Alberta:

> —have been talking about their insolvency and bankruptcy.

Mr. BENNETT: That was with reference to the farmers.

Mr. BUTCHER: That is probably what the right hon. gentleman meant, and I accept his explanation that he was referring to the

farmers. But the grammatical construction of the sentence might suggest otherwise. At any rate, the words I have quoted are the words that he used. We were referring in our statements on this side of the house to only approximately sixty per cent of the farmers. In this connection I would like to make a suggestion. The Bankruptcy Act of this Dominion provides a means whereby business men who are hopelessly entangled and harassed beyond all possibility of getting out of their financial difficulties may go into bankruptcy. I would like to see a simplification of the procedure under the Bankruptcy Act, to have certain amendments made which, with proper safeguards against fraud, would make it possible for a farmer who is hopelessly involved to avail himself of the provisions of the Bankruptcy Act. That is a suggestion which I think might be considered by the government.

The next statement which the right hon. the Prime Minister made is also irrefutable, namely, that there is a large number of cars in western Canada—261,778 in the three prairie provinces, to be exact. I know that the right hon. gentleman merely stated a fact. I do not believe that he intended any implication, but I gathered from the response that his statement met with from his followers, that there was a certain implication in the minds of many of them. It is rather remarkable that since I have been here in the east I have had on several occasions the suggestion made to me that the farmers of the west have been very extravagant. It has been suggested that they have bought too many cars and other things, like radios. There is one thought that comes to my mind in that connection. Who is more entitled to own a car than the farmer? Who can use a car more profitably than the farmer? The car has not only been a very profitable thing for the farmer to have, but I will tell you what it has done for the farmers' wives of the western prairies. It has made life far brighter for the women of the prairies and for the children. Before the advent of the car it was a rare experience for the hard-working wife of the hard-working farmer to have an outing. Many a farmer, having worked the whole day, and working six days a week, puts his horses away at night. Perhaps on Sunday he would hitch up his team and take his wife and children to church. That was about the limit of the outings the wife and children had. In these days things are different and the car is used to give a little pleasure to farmers' wives and children. I fear there is a misconception in the minds of a great many people regarding the statement made concerning cars owned by farmers. When I was going home for the Easter recess I travelled for a short distance with a very delightful old lady. She told me she had heard there were a great many members of parliament on board the train and after a while she asked me if I was one. I did not like to deny it, although in a great many cases I find the fact is not appreciated. She told me she had a good friend in the House of Commons but did not say on which side of the house her friend sat. I hope however the hon. gentleman is on the other side of the house. My reason for saying that is that presently she said to me, "Is it not a fact that your farmers in western Canada have built large houses, own cars and radios?" I said, "Madam, undoubtedly it is true that a few of our farmers have large houses, but more of them dwell in shacks or very poor houses. It is a fact that many of them have radios, and I think they are entitled to them." To me it is passing strange that the men who derive their wealth from the producers of wheat own cars without comment. On the other hand the man who produces the wheat must not own a car.

Mr. BENNETT: May I point out to the hon. gentleman that certainly he is misrepresenting my statement. In answer to a question by an hon. member I pointed out that I had no sentiments but those of commendation for farmers owning automobiles, but the fact of ownership bespoke their material resources. The misrepresentation by my hon. friend cannot be wholly accidental.

Mr. BUTCHER: I am talking about the—

Mr. DUPUIS: He is speaking about the old lady.

Mr. BUTCHER: If the right hon. gentleman will look to-morrow morning at Hansard he will find that at the very beginning of my remarks I said I knew this was not the true feeling of the right hon. gentleman.

Mr. BENNETT: I heard the remarks of the hon. gentleman, but any hon. member would know he did not place his remarks on Hansard by accident. He wanted those people who read them to draw the inference that I was endeavouring to reflect upon the farmers owning automobiles. I am accustomed to that practice; we all are. And may I say the ex-Postmaster General (Mr. Veniot) need not tell the hon. member what to say. He is quite capable of talking for himself.

Mr. VENIOT: The ex-Postmaster General never opened his mouth.

Mr. BENNETT: The effort of the hon. member to make capital of his suggestion was quite evident to all of us.

Mr. BUTCHER: In case of a possible misunderstanding I will repeat what I said. I did not for one minute accuse the Prime Minister of endeavouring to reflect upon the farmers. I said that there was an idea prevailing, or something to that effect, that the farmers were not entitled to own cars. I repeat that statement.

Mr. GARLAND (Bow River): And the roar of laughter from hon. members opposite proves it.

Mr. BUTCHER: The right hon. gentleman told of the number of cars in western Canada. In the previous paragraph of his speech he will find he was referring to farmers. I would point out that in the three prairie provinces 34 per cent of the people are urban dwellers and 66 per cent are dwellers in rural districts. The automobiles to which my right hon. friend referred have not all been purchased by the farmers of western Canada. In case the right hon. gentleman states that I am positively accusing him of making that statement, I will say at this time that he did not make it. He said that the people of western Canada purchased these cars, and I am pointing out to him that 34 per cent of those people live in villages, towns and cities and 66 per cent in the rural districts. I venture to suggest that if a survey were made as to the ownership of those cars it would reveal a reversal of the figures I have stated. I suggest that 66 per cent of the car value in the western provinces would be credited to city, town and village dwellers. The average man in the city, town or village owns a good car, and nobody would blame him for doing so. The farmer usually buys a cheap car, and very often a second hand one discarded by the city dweller.

My right hon. friend made three suggestions as to why it was time hon. members on this side of the house ceased criticism. I wish to make my statement carefully, because I might be misunderstood. First he wanted to know how we could expect the banks to continue to lend money if we continued to talk in the way we have been talking. Mr. Speaker, I venture to opine that no bank will grant fewer loans because of statements made by hon. members in this corner of the house, and no bank will grant more loans because of what has been said by hon. members opposite. In the past when I have wanted loans, as now and again, I do, I have found that the banker took me into his inner sanctum and put me through a drilling. He wanted to know what I owned, how much was free from encumbrance and asked a great many other questions to learn whether or not I would be a proper risk. That is the practice of banks everywhere. I will go further and state that the 60 per cent of the people in my constituency to whom I have referred could not get bank credit anyway. Therefore they are not prejudiced by the fact that I have made a statement in connection with the matter. In the second place the right hon. gentleman stated a gentleman had said to him, "We must uphold the credit of Canada." I believe that. He said a certain gentleman had written to him and said that somebody should be prevented from speaking because agreements of sale were being offered and could not be sold. May I say in reply that hon. members in this corner of the house were not sent here to assist in the disposal of agreements of sale. We were sent here for a specific purpose. Having acquainted ourselves with the conditions in our respective constituencies we were sent here to make those conditions known to the house. Having made discoveries as to what was needed for the good of Canada it is our duty to make our desires known. Mr. Speaker, I consider that to be our duty. Again I will explain that the Prime Minister did not intend to imply that we should moderate our speech. Certainly not; he does not do it himself.

Mr. BENNETT: If the hon. gentleman would permit me again to interrupt, may I say to him that since I have had to do with these conversion loans I have been informed by representatives of bond houses that the very speeches made in this house have seriously impaired the credit of the western provinces and made it more difficult for them to obtain loans for which they are now in the market at reasonable rates. I make that statement only for what it is worth.

Mr. BUTCHER: From which side of the house did those people complain the speeches came?

Mr. BENNETT: On your side.

Mr. BUTCHER: Mr. Speaker, I shall bring my remarks to a conclusion by saying that I believe I have fulfilled the duty imposed upon me when I was sent here to represent to the best of my ability the constituency of Last Mountain. I have made statements which can be substantiated, and I have not made one statement which cannot be substantiated.

Before I close however I would like to state frankly that I do not believe the government is responsible for existing conditions; I believe they are not wholly responsible. I believe I made that statement before. Probably they did something to aggravate the situation during the last session of parliament but on the other hand I think there are things they may do which will relieve the present situation. I do not believe however that it is within the power of the government to cure the present economic situation. However we ask them only to do the best they can. With regard to the last paragraph of the amendment moved by the hon member for Lisgar (Mr. Brown) I think there are suggestions therein contained which the government might well reconsider.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, I agree very largely with what has been said by the hon. member for Last Mountain (Mr. Butcher) with respect to agricultural conditions in western Canada. I believe practically every hon. member from western Canada, regardless of his seat in the house, will agree with him. However, I do not purpose at any great length to take up the time of the house in a discussion of the subject matter of the amendment because I feel such action would be merely a repetition of the five weeks' debate on the address. However I would like to place on record some of the activities of the group in this section of the house with respect to the issues involved. Knowing the serious plight of western agriculture I must admit I have some sympathy with the amendment.

However, I do feel constrained to comment upon the fact that for many years we in this corner of the house have been bringing forward measures for the relief of agriculture. Generally we have found our Liberal friends opposing and voting them down. But now that they have been transferred to the opposition benches they have suddenly become reformers. Of course, I am not objecting to that, I am not criticizing them for it; on the contrary I welcome even this belated action on their part. As an illustration of what I mean, may I deal with the demand made on the government on Tuesday last by the hon. member for South Huron (Mr. McMillan). He demanded that the government set a maximum rate of interest of 6 per cent on farmers' liabilities. I quite agree with him that something like that must be done. But I would remind him that in 1923 when the Bank Act was up for revision this group moved an amendment that would have had the effect of setting a maximum rate of 7 per cent for bank interest. Of course, that limitation is already in the Bank Act, but the bankers have been able to override it by technicalities. The amendment that we introduced would have made it impossible for them to do so. What was the result? Every member on the government side of the house —the Liberal party at that time—voted against it, along with the Conservatives who then sat on this side of the house; and I have no doubt that my hon. friend from South Huron, being a good party man, would have done the same had he been here. Of course, he was not in the house at that time, and we cannot tell what he would have done, but I can hardly conceive of him breaking with his party. I do not like to cross swords with my hon. friend because, as I appreciate, he is a "bonny fighter" in the interests of agriculturists.

Mr. McMILLAN (South Huron): Mr. Speaker, the hon. gentleman has no right to make such an implication.

Some hon. MEMBERS: Take it back.

Mr. CAMPBELL: There is nothing to take back. I think my hon. friend would be the first to admit that he is a good party man, and that is all I said about him. I have never heard him deny that. I am not questioning his integrity or his ability as a member of parliament.

Now, sir, I come to the amendment itself, and I wish to congratulate the hon. member for Lisgar (Mr. Brown) on the very able case he made out and his effective presentation of it. The moving of an amendment to a motion to go into supply is a very dramatic and spectacular way of placing a case before the country. Generally, I do not condemn the practice; under certain circumstances I would do it myself. We in this corner of the house have done it, but we have never done it except on issues that we had been fighting for previously and with respect to which we found we could not get action any other way. But there are circumstances in which this course is positively damaging to the very cause supposed to be served. It must not be assumed that because our Liberal friends moved this amendment they are the only members concerned in the issues involved. From the very moment of the opening of this session we in this section of the house have been dealing with all the issues mentioned in the amendment and in the speech of the hon. member who moved it. The only difference is that our work was not done in a spectacular way. We were not looking for publicity, we were looking for results.

Some hon. MEMBERS: Oh, oh.

Mr. CAMPBELL: I do not wish to suggest that our hon. friends merely want publicity. I assume they are perfectly honest and perfectly sincere in their action. I am criticizing their methods not their motives.

Now, let me take the question of freight rates dealt with by the mover of the amendment. I may say that since we came to Ottawa we have had frequent conferences with the ministry and we have been in constant communication with the United Farmer bodies back in the country. To show what is being done in this regard, may I read, in part, a letter addressed to us by Mr. Frank Eliason, secretary of the United Farmers of Canada, Saskatchewan section? This is only one of many letters that we have received from that body since the opening of the session. The letter is from Saskatoon under date of April 20, 1931, and, in part, reads:

As a result of our negotiations and representations in connection with freight rates on canned goods, we have gained a certain amount of experience and we have come to the conclusion that what is needed in western Canada, at this time, is a freight association,—an association which will be composed of representatives from the United Farmers of the three western provinces, of the boards of trade for the three provinces and of the wholesale and retail distributors of the three provinces.

George H. Smith, our provincial government traffic expert, returned last night from Alberta where he has received unanimous support for the proposal. We have also been in touch with the United Farmers of Manitoba and have their support. Mr. Smith is going to Manitoba this week in an endeavour to line up the wholesalers and the distributors. The first meeting, which is called for the purpose of forming the organization, will be held in the parliament buildings, Regina, on May 1st. We have decided to discuss four points. First; the advisability of forming a western Canada freight association, which association shall deal with freight rates only. Second; present freight rates on canned goods from the east. Third; present freight rates on canned goods from the west. Fourth; rate construction of the Canadian National Railways capital.

At future meetings Hudson's Bay rates, mountain rates will be discussed, also the adjustment of local freight rates as compared with through rates.

Now, with particular reference to the question of the disparity between domestic and export freight rates on grain, I may say that the group in this section of the house have had the matter under consideration for a long time. On April 23 we addressed a letter to the three prairie premiers. It is signed by myself and was written on the instructions of this group. It reads as follows:

I have been instructed by the independent groups here to suggest that the three prairie governments make an application to the railway commission for an equitable adjustment between domestic and export freight rates on grain.

We would appreciate it very much if you would discuss this matter with the other prairie premiers—

Mr. REID: Is British Columbia included?

Mr. CAMPBELL: We have no representative from British Columbia in our group. We are particularly interested in the prairies.

Mr. REID: Don't leave us out of the freight rates.

Mr. CAMPBELL: We are not. It will rest with the prairie premiers, and if possible they will take that into consideration when they are dealing with it. However, if we secure a reduction it will work for the benefit of British Columbia the same as for the prairie provinces. I will proceed with my letter:

We would appreciate it very much if you would discuss this matter with the other prairie premiers and we trust that action will be taken without delay. We have thoroughly canvassed the situation here and find that there is nothing directly that we can do and this would appear to be the only proper procedure in order to get results. I do not need to discuss the point at issue as the matter has been before the public for a long time.

This letter was addressed to the Hon. J. E. Brownlee, premier of Alberta; the Hon. J. T. M. Anderson, premier of Saskatchewan; and the Hon. John Bracken, premier of Manitoba. Under date of April 28 Mr. Bracken wrote us from Winnipeg as follows:

I wish to acknowledge receipt of your letter of the 23rd instant, in which you suggest that the three prairie governments make an application to the railway commission for an equitable adjustment between domestic and export freight rates on grain. I will be very glad to have the matter considered at the next conference, which I expect will take place within the next two weeks.

Mr. Anderson wrote us from Regina under date of April 29, as follows:

I am in receipt of your letter of April 23rd, and in reply may say that consideration will be given to this matter.

We are not yet in receipt of a reply from the premier of Alberta. We might have saved ourselves a lot of effort and trouble if we had moved an amendment such as is now before the house, but I think every member knows that such a course would have been barren of results.

With regard to the fiscal policy of the government, the proper time to consider and discuss it is when the budget comes down. Then we will have that policy in detail and will be

able to discuss it in detail. Then, too, we can, and undoubtedly will, move an appropriate amendment expressing our counter policy. That, it seems to me, is the time to discuss it, instead of taking up the time of the house now, when it is merely an academic question, and when we do not know exactly what the government will do.

An hon. MEMBER: Why waste time now?

Mr. CAMPBELL: My hon. friends have been wasting time; I am pointing out the uselessness of this discussion. Now, sir, with regard to the general agricultural conditions, may I say that committees representing this group have waited on the Prime Minister and the Minister of Agriculture since the beginning of the session and have made representations to them, discussing the situation with them; and we have in return received some assurance. We have not got all that we asked for, but we know that something is being done in the prairies. We know that the three prairie governments are administering the necessary relief in the way of seed grain and so forth and that they have the financial backing of the federal government.

Take again the question of the processing of meats and marketing of live stock, referred to in the amendment. My hon. friend from Red Deer (Mr. Speakman) came to Ottawa this year with some well thought out and clear cut suggestions regarding these matters. Committees representing this group have waited on the Minister of Agriculture at least four or five times and have thoroughly discussed the whole situation with him. The minister received us sympathetically, and we know that he is going into the matter. So far as we are aware, nothing definite has been done yet, but we do hope that as a result of our negotiations some action will be taken.

Take again the duty on farm implements repairs. Last year the government raised the duty on repairs from 6 per cent to 25 per cent. There are millions of dollars' worth of American-made machinery on the farms of western Canada and no doubt a great deal of it on the farms of eastern Canada as well.

Mr. DONNELLY: What government was that?

Mr. CAMPBELL: This government; and I may say that the imposition of this duty would have imposed serious hardship upon those farmers. Representations were made to the Prime Minister on the floor of the house from this section last year and in response he delayed the imposition of these duties for one year. The duties come into effect on the 1st of July or August of this year. But we are not sleeping at the switch; we have our eye on that. We know that no branch factories have been built in Canada by such concerns as the J. I. Case company and the John Deere Plow Company, and the farmers will be penalized if the extra duty is put on. We have already made representations to the Prime Minister. We did not wait to move an amendment; and while, as I say, we have no assurance, we hope that something will be done at the appropriate time. If nothing is done with respect to this and other matters, then we will take the proper course. But I believe that in the meantime we have taken the right course. While our Liberal friends were deliberating the moving of this amendment, we were steadily working on and considering these problems. I believe that what we have done is the proper thing to have done, and I do not think that any good and useful purpose will be served by moving an amendment. In fact, I believe that is the best way of hindering governmental action while matters at issue are still under consideration. I do believe, however, that before this debate concludes we are entitled to some statement from the government, and I suggest to the Minister of Agriculture (Mr. Weir) that he avail himself of this opportunity to make his maiden speech and to tell the house what he has told our committee when we have discussed the subject with him privately. He may not have carried it out to fruition yet, but I am sure the house would welcome a statement from him as to what he has under consideration with respect to the matters we have discussed with him.

Mr. A. W. NEILL (Comox-Alberni): I will not take up more than a few minutes of the time of the house. I had been, and still am, in some doubt as to how to vote on the amendment. Provided I was assured it was what is known as a straight vote of want of confidence in the government, I would vote against it, because, elected as an independent, I would consider it my duty to give the government a run for their money, so to speak, allowing them an opportunity to develop their policies before voting against them. On the occasions when I voted against the late government on a motion of want of confidence, or what was technically such, it was always on questions involving such a distinct and definite line of policy concerning matters which were of such importance, either to British Columbia or to the industries I represent, as to compel me to view

it in the light of immediate necessities rather than from the point of view of the consequences to the government.

As regards the amendment now before us, I find fault with it as being somewhat vague in its terms. It condemns the government for failing to announce any agricultural policy to the house. That is somewhat indefinite. And later on it suggests emergency measures to meet the present crisis—that also is indefinite—and to make adequate provision for the processing of meats, the marketing of live stock and so on. I am always ready, if I find fault with something the government are doing, to suggest an alternative policy and one which I am prepared to support, because I do not believe in condemning the government simply for the reason that they have not done something which neither I nor anybody else can do. Perhaps I should be best advised to follow the attitude of my hon. friends to my left a few weeks ago and refrain from voting, in spite of the obloquy which apparently attaches to such an action, which however was quite within the rights of those hon. gentlemen, although we do not know how long they will enjoy the privilege.

What I rise for particularly at this time is to put on record, as typical of many others, some representations I have recently received from the district I represent. One of them has reference to a matter I discussed in the debate on the address, and the other arises out of the remarks of the Prime Minister some weeks ago with regard to the wealth of the people of western Canada as indicated by the number of motor cars, etcetera, owned by the farmers. I will not enter into any argument with the Prime Minister along the lines taken by my hon. friend from Last Mountain (Mr. Butcher), but I would say this. As regards what appears to be the enormous sum of money invested in cars, that is a very old method of making out an ex parte case; it is simply putting large issues against small ones. For instance, suppose the government introduced legislation to collect in taxation from the people of Canada the sum of one hundred thousand dollars, and suppose I went to a man in the street to whom one hundred dollars was a large sum—a man who perhaps never possessed a thousand dollars in his life. Suppose I said to this man, "Listen to this, Bill: they are going to take one hundred thousand dollars away from you people." That would make a considerable impression upon him. He would compare it by his standard of one hundred dollars a month in wages and he would say to himself, "One hundred thousand dollars! Why, that is an awful sum they are going to take away from the people." He does not know, nor can he be expected to know, that it represents, on the basis of our present population, something like one cent per capita. But that is the way specious arguments are advanced. Now, it would be more appropriate, in discussing the question of motor cars, if the question were asked: How many of these cars were bought in the last six months or year, and how many have been paid for? To go back a number of years is not to make a fair comparison.

Here is a letter which I wish to put on record, a letter I received to-day from a man in the west. It is addressed to myself and reads:

> Having read press notices of the efforts of certain western members to draw attention to the serious conditions prevalent in their constituencies, to which the Prime Minister and his cohorts persist in turning a deaf ear, I presume upon our slight acquaintance to address you in this connection.
>
> While the Hon. R. B. Bennett and his confrere, Mr. Manion, may deem it fitting to minimize the growing seriousness of conditions, let me assure you that we here are in a position to know that the western members have been guilty of no exaggeration. The Conservative press, of course, make a feature of Mr. Bennett's loud-mouthed condemnation of "blue ruin" speakers, but such an attitude as his is simply a refusal to look facts in the face. The country now realizes how empty were the promises to "end unemployment," to "blast our way into the markets of the world," etc., etc. Unemployment is now a great deal worse than when this government took office, and the bottom is not yet reached.
>
> The hon. Mr. Bennett speaks of the farmers on the prairies, but apparently forgets there are 600,000 people west of the Rocky mountains. Mr. Bennett was to expand our export marke.., but since the election half of the coast lumber business has closed down, and most of the balance is running on part time. One firm, normally employing about 800 men, is shut up tight, with no prospect of reopening and very few of the men laid off have found work or have any prospect of doing so. This condition has been repeated over and over. I have word of one very large mill, running six hours per day, five days per week, with a base wage for labour of 18 cents per hour. Ask Mr. Bennett to multiply that up, subtract living expenses, and see how many automobiles he can buy. Most of the loggers now out in camp are making barely enough for board, with not enough margin to buy clothes and pay their fare to camp and back. As you know, this work is very seasonable and when the men get back to town there will be nothing for them but begging on the street.

It is within my own personal knowledge that that statement is absolutely correct. I know that the firm to which he alludes, ordinarily employing nearly a thousand men, has been shut down. It is a common salutation for the men in the woods to say to each other, "Have you earned your board to-day?"

Many have been put on a piecework basis and sometimes they are unable to earn even their board. The letter continues:

Less than half the canneries will be running this year, and none will pack late fish—

That is, those running in the fall—

—so the fishermen will have no money next winter. The copper mines and pulp mills are all running with reduced crews or not at all.

The Coast Copper Company Limited, operating in my district, a subsidiary of the Consolidated Mining & Smelting Company of Canada Limited, which has been running for about fifteen years and employing a comparatively large crew, has shut down with no probability of soon reopening. The letter continues:

Nothwithstanding Mr. Bennett's promise to help the dairymen, the farmers are getting still lower prices for their produce, and are paying almost as much for feed as when wheat was selling for $1.50 per bushel. Probably the grain dealers and holders of Canadian Pacific Railway stock are buying automobiles, but the dairymen are not. Consider the poultrymen with eggs bringing them eleven cents per dozen. The one consoling thought is that very few of us will be paying Doctor Tolmie's one per cent tax.

The writer becomes sarcastic at this point. That is a tax commonly referred to as "Tolmie's tag day," which is put on all incomes above $25 per week for married men or $15 per week for single men. It is collected weekly so that a stenographer earning $60 per month for one or two months and then being idle the rest of the year would still have the privilege of paying an income tax. One week's work, one income tax. The letter continues:

Let me repeat the warning of Mr. J. S. Woodsworth, that conditions are certainly such as to induce rioting and serious disorders before another year. To-day I was talking to a man who has been prominent in the business life of Vancouver for many years, and he admitted that the present outlook was much less promising than it was six months ago.

To-night I cut two clippings from to-day's issue of the Daily Province. I enclose these to you, as illustrating the difference between fancy and fact, the cartoon showing what the Conservative press would have people believe and the advertisement showing conditions as they are. And this is the first day of May, in this west of seasonable occupation when, if ever, employment should be available!

This cartoon, familiar to all, appeared in the daily press. It depicts the right hon. Prime Minister (Mr. Bennett) with two clubs in his hands, one marked "sound logic" and the other marked "proven facts." He is shown chastising two so-called calamity howlers and putting them to rout. The headline reads: "Would anyone else like to tell me that Canada is ruined?" That is the cartoon referred to. The advertisement to which he refers appeared in the Daily Province under the heading "Help Wanted Male"—rather a travesty on the heading. It reads as follows:

Revelstoke

No men need come to Revelstoke looking for work.

500 men have been waiting here six weeks for jobs on Canadian Pacific railway.

There are also some 300 local men unemployed.

Hundreds of men are arriving daily who cannot be fed nor employed.

City Clerk,
Revelstoke, B.C.

That is not an advertisement published by some union during strike time, but was got up and paid for by the city of Revelstoke in an endeavour to keep unemployed men away from that place so that the city would not be faced with the burden of keeping them. As the writer of the letter which I have just read, mentioned, these conditions existed at the beginning of May, which should be almost the most favourable employment period in British Columbia. A few days ago I saw another advertisement along the same lines published by the city of Trail, warning unemployed men to keep away from that vicinity.

The other communication is in the form of a post card evidently circulated among a large number of dairymen and farmers to be signed and forwarded to their parliamentary representatives. No doubt other hon. members from British Columbia will be receiving these post cards. It reads as follows:

Dear Sir:

Due to the great deflation in the prices of all agricultural commodities it is absolutely essential to the existence of the industry in the Fraser valley and Vancouver island that costs of production be greatly reduced. The greatest factor in production costs is the price of feed grains and a very large proportion of feed grain prices is freight. The Canadian farmers in this area are paying as much for freight per ton on Canadian grown feed as do farmers in Japan for the same article delivered to them.

May I say in parenthesis that it is not the same article; that sent to Japan is of much higher value being No. 1 or No. 2 wheat, and that delivered to British Columbia, at $4.20 per ton extra freight, is No. 5 or No. 6 wheat. The post card continues:

This situation is serious and calls for action by the government pursuant to our repeated demands.

As a farmer, resident in your constituency I request you to insist upon definite action being taken immediately by the government in accordance with our petition made to it, to remedy this obvious injustice by ordering the immediate cancellation of freight differentials on feed grains coming to this district.

The post card obviously should have read "coming to this province." This refers to a matter I brought up while speaking on the address in reply to the speech from the throne, and on previous occasions, the discrimination between the export rate on wheat going foreign from Vancouver and the same or lower grades of wheat coming to British Columbia for domestic use. I brought this matter up the other day and I explained the situation to the house. This matter has been through the regular procedure of being brought up before the Board of Railway Commissioners and once, if not twice, it has been referred to the privy council of Canada, which is the government. The matter rests there now and has been resting for something like fifteen months. I urged then, and I urge now that this is the best time to take action in this matter. It is something tangible, it is something which would really help; it has not the vagueness of a general condemnation of the government. I am not condemning the government, I asked it to take prompt action on a grievance which has been repeatedly brought before this house and the government. I am always faced with the reply: "Oh, this is not the occasion on which to announce a policy." A statement upon going into supply on agricultural estimates should offer a very appropriate occasion to announce such a policy because if it is left until we are in committee we would be restricted to particular items. As it is not likely there will be an item referring to this matter, it will be difficult to debate the subject. Unless the government is prepared to take immediate action by means of an order in council, which would be preferable, it should announce its policy now.

To go back to my remarks in connection with labour conditions, I omitted to urge the necessity of this government having a conference with the provinces before the close of this present session. Should that not be done, how can money be voted for relief for this coming winter? Just as surely as the sun will rise to-morrow morning, much relief will be needed this coming winter. I urge that a conference be held at an early date to enable the government to take appropriate action at this session. I may add it will be of no use to enact legislation similar to that passed during the session of last September because most of the municipalities are broke and will not be able to finance a fifty-fifty proposition. They strained their resources last year in the hope that only temporary relief was needed, and they will not be able to continue payments this year.

In closing I would again impress upon the government the necessity of an announcement as to its policy with regard to railway rates, and the need of an immediate conference with the provinces with regard to unemployment relief.

Mr. CAMERON R. McINTOSH (North Battleford): In associating myself with the want of confidence motion which was moved by the hon. member for Lisgar (Mr. Brown), I take it that this motion and the debate on it deal entirely or almost so with the Department of Agriculture and the minister who is at the head of that department. It is important that everything pertaining to the question of agriculture be brought forward during the present session and as early as possible. I believe it is unnecessary to state that the condition of this primary industry in western Canada is not good; it is absolutely unsatisfactory. Therefore it behooves all members from western Canada and also from many other parts of the Dominion, especially those who represent agricultural ridings, to see that the existing condition of affairs is brought before the house and the country.

I do not want to say anything derogatory in connection with the Minister of Agriculture (Mr. Weir). There is a feeling that perhaps he has been unduly criticized. I do not think that is the case and I do not believe that is the feeling on this side of the house. We do not want to criticize unduly any member of the government. What we want to do, though, is to draw the attention of parliament and the Canadian people to what I said were serious conditions in the agricultural industry from coast to coast. I do not really see why the Minister of Agriculture should be overly criticized. Perhaps there is one reason why, and I shall touch on it later.

So far as I understand, he is a native-born Canadian; he was born in one of the best parts of Canada, in western Ontario, and I do not see any reason why he should apologize for that. The other day the hon. member for South Huron (Mr. McMillan) mentioned the fact that the minister was a product of Huron county. There is no better county in Canada. There are many splendid counties and districts in central Canada, eastern Canada and western Canada, any one of which no person need be ashamed to say was his birthplace. So the criticism cannot be on account of the portion of Canada in which the Minister first saw the light of day, or on account of his ancestry, or on account of his

educational training; because he went through the primary and secondary schools as well as one of the leading universities of Canada. He has educational training and I am proud that a minister of agriculture with that training was selected for Canada. Training of that kind means developed ability, and I hope that ability in a practical way will be shown later by the minister not only on behalf of the agricultural industry but also as applied to the questions of government that will come before him.

Moreover, the minister moved west and was one of those who took part in the opening up of that vast empire of western Canada. He has done his duty there, not only educationally but in an agricultural way. He represents a splendid riding in this house, and he also fills an important position. It is on account of none of these things that any criticism has been levelled at him to-day. Therefore it must be for some other reason. May I ask what that reason is, Mr. Speaker? The other reason I would say is the political company he is keeping, the party with which he is lined up, the policies with which he is identified, not only in this chamber, not only in western Canada, but all across this land. So I would say that westerners are counting on the minister to take definite action although he is part and parcel of an inactive cabinet and government—action, again I say, although he is identified with policies which I think are absolutely too restrictive and are not going to bring prosperity to Canada—yes action, because I think the only tariff policy that will mean anything to this country, that will build up all portions of it, is a compromise tariff policy, a fair, moderate fiscal policy. When you resort to extremes, I care not what party be in power, you cannot make the machinery work; you are only going to turn back the hands of time so far as Canada is concerned, and instead of prosperity bring the opposite condition of affairs which we certainly now have.

Might I say a word about the question of secession? I think it was the hon. member for Wetaskiwin (Mr. Irvine) who brought up in the House of Commons the question of secession. I notice he got some big black headlines in the daily press of Canada, and I was surprised to find that we have in this country a section of the daily press floundering around and trying to make some propaganda out of a question that does not in reality exist. There is no systematic secession sentiment in Western Canada any more than there is in Ontario or Quebec or the maritimes. The hon. member said that references made to that question in times gone by had been regarded lightly, but we should not regard lightly the references that are now being made to secession; we should be very much concerned about them. He said also at the United Farmers of Alberta convention in Calgary he rose and voiced his sentiments against secession. Further on he drew attention to the distressed and discouraged people who might try anything—that is, they might resort to secession in order to bring redress. He wound up with this expression of thought: that if this session of parliament will not do something towards relieving agriculture of the extra tariff burden imposed on it, we shall have to face the disintegration of our Dominion.

Those are serious words, serious sentiments; they are echoes of a fiscal problem that come well within the sphere of debating. This afternoon I want to give the house and the country the sentiments in my own riding with regard to secession. There is absolutely none. Before I left for Ottawa I went through my riding and held eleven or twelve important meetings. At the end of each meeting those who were in attendance—and often there were three or four hundred present—were given an opportunity of their own free will and accord to bring up any resolution, and this afternoon before I resume my seat I shall read some of the resolutions that were proposed. You will not find among those resolutions one on secession. There was not in any of the meetings that I addressed in my riding one iota of secession sentiment.

Mr. IRVINE: There were in the hon. member's own province.

Mr. McINTOSH: I shall deal with that in a moment.

Mr. IRVINE: The hon. member had better hurry up.

Mr. McINTOSH: There is no need for hurry. If what I have said be true in the riding of North Battleford, it is practically true in Saskatchewan. It is true that here and there we have an odd sentiment with regard to secession, but as I said, there is no connected movement with regard to secession. Wherever you get in any part of Saskatchewan or western Canada any sentiment in regard to secession, what does it signify? It signifies merely a reaction to the administration which now holds office, and which my hon. friend supports by advocating a conservative self-supporting economic dependent

Canada, a reaction to their fiscal policies, and to what they have done to Canada since the election took place on July 28. That is all In other words, the men and women of western Canada are protesting resolutely and continuously and will continue to protest with regarded to the fiscal policies with which this government has saddled Canada and which are causing the people of the west to see not a ray of hope in the future.

Beyond this any suggestion that has been made has emanated from a source unconnected with any recognized organization or movement. There is therefore no secession sentiment in western Canada—none in Saskatchewan, none whatsoever in the riding of North Battleford. That we have a government in power that is not satisfactory to western Canada; that its policies are out of joint as compared with the policies we ought to have in this country, faced as we are at the present time with very serious problems, is no reason why we should have word go all over Canada through the daily press to the effect that there was a concerted movement towards secession in western Canada. This talk about secession sentiment is all nonsense; it is not worth paying very much attention to. I thought I would draw the attention of the house to it because I am from western Canada, and I know western Canada as well as I know the east, and I know the east as well as I know the west, and I am not afraid to stand up here and tell what I know to be the facts about that question.

Let me now come to the promises that were made during the election by hon. gentlemen now members of the government, with regard to agriculture, because it is the question of agriculture that is now before the house. They said that they would protect agriculture, would foster and develop agriculture. They said they would bring about the stabilization of economic conditions and the continuity of trade, freedom from the manipulation of tariffs at home and abroad. They said that they would find a foreign market for our products. Have they done so? Have they protected agriculture? Have they fostered and developed it? Have they brought about the stabilization of economic conditions? Have they brought about continuity of trade? Have we been free from the manipulation of tariffs at home and abroad? Have we? Have they found a foreign market for our products? To all these questions I would answer, no.

In the special session last September what did they do with regard to agriculture? Well, they increased the tariff on 170 articles which the farmer and labouring men of this country must buy. We put up tariff barriers on all these products, and when we did that, we did something which helped to put the farmers in the condition in which they find themselves to-day. I have a letter here bearing on what is taking place in that regard, but before reading it let me say that last September we raised the tariff on the following articles:

Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing.

Ploughs; farm, field, lawn or garden rollers; soil packers; complete parts of all the foregoing.

Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine separators including the motive power incorporated therein, and complete parts of all the foregoing.

Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only, post hole diggers, snaths, stumping machine and all other agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing.

Scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, pronged forks, rakes, n.o.p.

We raised the tariff on all those agricultural implements. Under the Liberal tariff before the special session, the tariffs on all these implements of production were 7½, 7½, 6 and 20 per cent. These rates were all raised under the general tariff to 25 per cent. Sometimes it is said that the tariff increases that were made in the special session have not meant any increased price for those who were buying these implements. Let me quote from a letter I have received which bears on that very point. It says:

While there is no advance in prices, there are very few declines. What we are looking for is cheaper goods, and while some of the papers are protesting that the retail trade are not lowering their prices, the fault as I see it is with certain manufacturers. Steel is very much cheaper than a year ago; still steel goods do not come down to us.

Mr. EDWARDS: What about labour?

Mr. McINTOSH: Labour is cheaper too.

Mr. EDWARDS: No.

Mr. McINTOSH: Out in western Canada it is cheaper because there is limited industrial labour to perform. The letter continues:

Copper was quoted a few weeks ago as being the cheapest for thirty-five years; still copper goods are very little less. You will admit that Mr. Bennett promised that goods would not go higher but he never said anything about going lower, and it is on that that the manufacturers are working.

That is the interpretation put upon the increases in the tariff by the people in all portions of western Canada, and I would say that the tariff increases have helped to accentuate the serious conditions which are to-day obtaining in the agricultural industry. It was no wonder, then, that when parliament assembled at the present session we moved an amendment to the address in reply to the speech from the throne.

Mr. COTNAM: When the friends of my hon. friend were in power, did they reduce the cost of agricultural implements to the farmers in western Canada through their tariff reductions?

Mr. McINTOSH: Yes, they reduced them, and more than that, they brought about in this country conditions of prosperity so great that the farmer never thought that he was paying too much for anything.

Mr. COTNAM: The hon. gentleman has not answered the question.

Mr. McINTOSH: It is an old question which has been answered time and again.

I was referring, when I was interrupted, to the amendment that we brought down to the address. We were told when parliament assembled that the government would consider measures to ameliorate present conditions. Those conditions are not ameliorated, and they show no sign of amelioration. The people of Canada are becoming disgusted with present conditions, and there is no sign whatever of improvement. So I say that that promise in the speech from the throne is not worth the ink it is written with. The speech from the throne also promised to bring about prosperity hitherto unattained. Well, the government have not made any move to bring such about. Canada is not prosperous to-day. The government said they would make it prosperous, but they have not done so. Further, the government promised to furnish safeguards against the recurrence of like depressions in days to come. More than that; the government were going to explore the origins of the agricultural depression. They were going to set out on an exploration policy. I am wondering whether they have yet completed that exploration policy. What have they explored, and what have they discovered? They were going to explore the conditions from which we are now suffering in a domestic sense.

Mr. BEAUBIEN: "Exploration" must have been a misprint for "exploitation."

Mr. McINTOSH: My hon. friend suggests that the trouble with Canada is in the sphere of exploitation, and the inference is that the present government has helped to put Canada in her present exploited condition. Those were some of the promises that were made by the government. There has been nothing explored and nothing discovered. No safeguards have been provided against a recurrence of the depression. The depression, in fact, is worse to-day than it was before. Prosperity has not come, and there is no amelioration of conditions. These are facts.

The government also promised to provide for an orderly marketing of the wheat crop, and further intervention, if necessary, because of changing conditions in world markets. There was to be a reduction in the costs of production and marketing of the wheat crop; more stable markets were to be provided, and satisfactory returns received by the grain growers. Well, we are selling a certain amount of wheat, but look at the price we are getting for it. The price bears no comparison to what we are paying for all the industrial products that we need on the farms and in the homes of western Canada, and which we must have just the same as any other part of Canada. The big spread between the price that the farmer and the labouring man receives for his product and the price he has to pay for the things he has to buy is the discouraging feature of present conditions, and until the western farmers and labourers see that gap closed they are not going to be satisfied that this government is doing anything for either agriculture or labour.

More than that. Mr. Speaker, we have an amendment moved by the hon. member for Lisgar (Mr. Brown), in which we are told that the agricultural policy of the government has not been brought down, that markets have not been found for our goods, and that consequently something must be done if Canada is to be brought back to prosperity. If, Mr. Speaker, the policy of the Department of Agriculture has not been brought down—at least the government say that is the fact—the sooner it is brought down the better, because in this want of confidence amendment I believe there is dynamite enough to move any government.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: You have not got the match.

Mr. McINTOSH: Yes, we have. In the amendment it is stated that in order to fulfil the many definite promises in regard to agriculture the government has made no constructive announcement. That is true.

An hon. MEMBER: What is your policy?

Mr. McINTOSH: We have had nothing but hearsay. The onus of propounding a policy is on hon. gentlemen opposite, not on the opposition.

Mr. COTNAM: It was on my hon. friend for eight years.

Mr. McINTOSH: Yes, eight years of prosperity. And until my hon. friends do bring down their policy we will bombard them and force them to bring it before the house and the country.

Mr. COTNAM: What did my hon. friend do for the past nine years?

Mr. McINTOSH: And that is not all. Some further points come into this want of confidence picture. I must say it appears to be "some" picture, when one looks at it for a while. We say the policies of the government tend to restriction rather than to expansion; that is true. Canada's trade is decreasing by millions and millions of dollars, month after month and year after year; we will soon have no foreign trade at all—or no trade outside of Canada.

An hon. MEMBER: Blue ruin.

Mr. McINTOSH: And all because the policy of the present government "blue-ruin" like, is to have Canadians live unto themselves, to make our people believe they are prosperous when they are not, and to attempt to build the country up fiscally and commercially by pulling at our boot straps.

Another question faces the government in this amendment, and it is this: If our international trade goes to pieces, agriculture will become more and more paralyzed. It is becoming more and more paralyzed every day and every week.

An hon. MEMBER: More blue ruin.

Mr. McINTOSH: And that is why we are calling upon the government to take cognizance of its blue ruin consequences in this country, and asking it to do something.

Mr. COTNAM: What about the past government?

An hon. MEMBER: Will the hon. member permit a question?

Mr. McINTOSH: No, not just now. In the closing paragraph of the amendment we find the expression, "emergency measures to meet the present agricultural prices." These emergency measures are requested because wheat marketing has not been successful, and other agricultural products are not bringing satisfactory prices in the markets of the world. To all these representations on the part of the opposition up to the present time the government has suggested nothing in the way of an agricultural policy. I do not wish to make any statements of a disparaging character concerning the Minister of Agriculture. I do not know him intimately, but I have a very high regard for him. I would say, however, that the minister has made one mistake: he has over-sold himself to this country, in an agricultural way. That is more reason than ever, Mr. Speaker, why the minister or some other hon. member of the government should come forward and announce the government's agricultural policy all along the line, thereby letting us know exactly what they have in mind to cure conditions. Up to the present time they have done nothing. That is a serious statement to make, but it is made in connection with a serious condition of affairs.

I have before me a statement contained in the press of western Canada concerning a speech of the Prime Minister.

An hon. MEMBER: The Star-Phoenix?

Mr. McINTOSH: It was in my own paper, The News, and it at least tells the truth. This is a press despatch sent from Ottawa to western Canada with regard to the seven points mentioned by the Prime Minister when he spoke in this house regarding western conditions:

1. No government of which Mr. Bennett is the head will consent to any policy of pegging the price of wheat.

That is correct, is it?

An hon. MEMBER: Sure.

Mr. McINTOSH: All right. Western farmers say: The only reason we want to peg the price of wheat as an emergency measure is that the government pegged the price of 170 industrial articles, and it should therefore peg the price of wheat.

Some hon. MEMBERS: No, no.

Mr. McINTOSH: Yes, that is the reason. Therefore Mr. Speaker it is needless for hon. gentlemen opposite to make a row. The government started the practice of price-fixing, and they are afraid to go through with it. That is all. I think the farmers are dealing absolutely fairly with the government; all they want is for this government to come through and do for the farmers what they did for the industrialists.

An hon. MEMBER: They will come through; don't worry.

Mr. McINTOSH: Then, we come to statement No. 2:

The three prairie provinces are not experiencing undue hard times.

Is that true? That is what he said. Then we come to No. 3:

Nothing approaching an acute depression or an economic crisis exists.

The Prime Minister said that. Then No. 4 is as follows:

Cases of hardship and actual want are confined to a few isolated individuals.

That is No. 4. Now, will hon. members listen to No. 5—

An hon MEMBER: Five loaves and two small fishes.

Mr. McINTOSH: It is as follows—no five or two about it.

Tens of thousands of prairie farmers have substantial bank accounts.

By the time I am through perhaps hon. members will know they have not. Then No. 6 is as follows:

Three hundred millions of dollars invested in automobiles and tractors in the prairie provinces bespeaks their solvency and economic well-being.

That is a ringer. Then No. 7:

Prevailing impressions that western Canada has been hard hit are due, entirely, to exaggerated statement of Liberal, Progressive, Labour and Independent politicians, who have been guilty of decrying their country for purposes of party politics.

I want to refute that statement, and all the other statements I have read. I have before me the result of an investigation carried out by Doctor William Allen of the university of Saskatchewan with regard to two well-defined agricultural areas in western Canada. One area which Doctor Allen, as an expert, investigated in an agricultural way was the provincial riding of Kindersley. The other area investigated was the provincial riding of Turtleford. That provincial riding is part of the federal constituency I represent in the House of Commons. The provincial riding of Kindersley is part of the federal riding represented in this house by the hon. member for Kindersley (Mr. Carmichael). Doctor Allen confined his investigations to two of the main areas in western Canada. I might say however that the conditions he found in those two portions would be representative of other parts of the west, because one area is in the north and the other is towards the south. Doctor Allen found the following:

. . . . that the average farmer debt in Kindersley county is $4,084, and in the Turtleford district, $2,262, both sums taking into account debt-free farms.

[Mr. McIntosh.]

Let us do a little calculating with these figures. Provincially speaking, if we add the $4,084 for the Kindersley electoral district to the $2,262 for the Turtleford electoral district we get a total of $6,346. Dividing that figure by the figure 2 we get an average of $3,173. that is the average debt of all the farmers in those two important areas in Saskatchewan. If we take that average and multiply it by 250,000, the number of farms in western Canada, we have a total indebtedness of western farmers amounting to $793,250,000. That says nothing about the share the farmer has in municipal debts, provincial debts, railway debts, urban debts and federal debts. It says nothing about the millions of wealth brought into western Canada by settlers from different parts of the world; it says nothing about the $5,000,000,000 of wheat values that were produced in western Canada and shipped eastward to build up the Dominion as a whole. When we think of that prodigious debt, and when we realize that these are facts disclosed by investigation in regard to only two areas in western Canada, we must conclude that agriculture is not in a very satisfactory or sound condition. I would not go so far as to say that western Canada is bankrupt; I do not think it is. But I do say the farmers must be given a real opportunity to go forward, that their debts must be cut down as far as possible, that they must be encouraged to make the best of their surroundings. In order to do that there must be a government in power to encourage the farmer by a fiscal policy adapted to his needs, to encourage him by strong governmental leadership, the leadership of men of vision, statesmanship and power. Such a government will appeal to the people of western Canada. I do not believe the present government has done as much in that direction as it might. I do hope that in the months to come there will be a change of heart on the part of the government in regard to its support of agriculture and the encouragement of that industry, and that by bringing down a constructive and forward-looking policy it will improve the condition of the western farmer. If this is done I have no objection to this government getting credit for it. It is not a question of party politics, it is a question of the well-being of western Canada and the whole Dominion.

With regard to these distressing conditions, may I enumerate to the house a number of resolutions that I have received passed by the farmers of the North Battleford federal district at the meetings to which I have referred. These resolutions were passed volun-

tarily, the farmers were not asked to pass them. I think these resolutions indicate truly the conditions of agriculture in the area I represent in this house and also that they are fairly applicable to the entire west. All these resolutions ask for action on the part of the Prime Minister, action on the part of the Minister of Agriculture, action on the part of the Conservative rank and file all across the Dominion. Resolution No. 1 asks:

For government supervision of the grain exchange.

Number 2:

That the government guarantee a minimum fixed price of 70 cents per bushel, basis No. 1 northern, Fort William or Port Arthur, for the 1930 wheat crop.

The farmers are not asking for these things without knowing full well why they are asking for them. Number 3:

That the government take over the supervision of the banks with regard to interest charges, and bring about their reduction to a maximum of 7 per cent.

Number 4:

That the government declare a moratorium until such time as conditions affecting agriculture shall sufficiently improve to warrant its removal.

Number 5:

That the government set a price on all wheat used for consumption in Canada of $1.25 per bushel, and the price of flour per 98 pound sack be set at a reasonable price not exceeding present prices.

Number 6:

That all freight rates be lowered 20 per cent.

Number 7.

That all interest and indemnities on taxes be cancelled until a fair measure of prosperity is restored.

Number 8:

That all debts owing banks, machine companies, and wealthy corporations by farmers be cancelled till a fair degree of prosperity is restored.

Number 9:

That all banks, natural resources, timber, mines, oil wells, water-powers, be nationalized.

Number 10:

That extension of credit should be through the banks alone, controlled by the government, with a suitable provision made for those in distress.

Number 11:

That in view of the privileged position of industries other than agriculture, government assure cost of wheat production at $1 per bushel.

Number 12:

That the government be asked to set up a board of standards to maintain a proper relationship between the price the farmer has to pay for commodities that he has to buy and the price he receives for commodities which he has to sell.

Number 13:

That the legal rate of interest of 7 per cent as set out in the Bank Act be enforced.

The source of all these resolutions, Mr. Speaker, is to be found in the fiscal policy sponsored by hon. gentlemen opposite. For instance, on February 18, 1931, at a meeting held at St. Walburg the following resolution was passed unanimously:

That this meeting go on record as being in favour of freer trade in lieu of protection as practiced by the Bennett administration.

There, as I say, Mr. Speaker, you have the source of all these resolutions, they are all concerned with the fiscal policy of the present administration. All these resolutions have grown out of the high tariff policy of this government, out of the increased tariff rates passed at the special session, out of the increased tariff rates the government are expected to put into operation at the present session; in a word, these resolutions arise out of the artificial fiscal policy of the government of the day, and until that policy is very much modified I am satisfied the people of western Canada will not feel happy and contented. It is not a question of secession. It is a question of the people of western Canada recognizing that the policy of the present government is not the policy for western Canada. They are strongly of the opinion that there must be a change, and that the next government that takes office must recognize in its policy the interests not only of one section, but of all sections of the country; it must introduce a fiscal policy that will bring about the development of Canada as a whole. In no other way will Canada prosper and reach her full development. Until something in that direction is attempted, I believe conditions in western Canada will not improve very much.

I should like, Mr. Speaker, to put on Hansard a few of the resolutions passed by the local lodges of the United Farmers of western Canada, and also by wheat pool committees. I believe the people behind these resolutions are entitled to recognition. They are fighting the battle for fiscal freedom in western Canada, and they are doing their best to call the attention of the whole Dominion to the conditions which now prevail in the prairie

provinces. Here is a resolution passed by the Cavalier local lodge of the United Farmers of Canada on December 10, 1930:

That we advocate government supervision of the grain exchange.

That we ask the federal government to guarantee a minimum fixed price of 70 cents for the 1930 wheat crop.

The rural municipality of Mervin passed unanimously the following resolution on December 6, 1930:

Resolved that the Dominion government be requested to set a minimum price for wheat, of 70 cents per bushel basis No. 1 northern, Fort William or Port Arthur.

The next resolution that I am reading was passed by the wheat pool "Speers local" on December 6, 1930.

In view of the very serious situation that has developed as a result of the collapse of the wheat market:

We the members of the wheat pool, "Speers local" urgently request that the Dominion government guarantee a minimum price of 70 cents a bushel at Fort William for No. 1 northern wheat grown during the season of 1930.

That was moved by R. Miner and seconded by S. Cunningham.

The council of the rural municipality of Round Hill passed the following resolution on December 20, 1930:

Resolved: That this council demand that Dominion government take steps to stabilize wheat market so that minimum price of at least 70 cents be maintained.

I have a resolution passed by the Edam local of the United Farmers of Canada, Saskatchewan section, covering practically the same ground. Then there is a resolution from Spiritwood covering a little more ground. But since I have not the time to read these and the other resolutions under my hand, I should certainly like to have them on Hansard for the information of the house and of the country. Not only should I like to put all these resolutions on Hansard, but I should also like to give their source and the names of their movers and seconders.

In closing, Mr. Speaker, may I say that I hope the present government will bring down its agricultural policies and its budget as soon as possible in order that members on this side of the house may see whether the government as a whole is looking up or down; whether it intends to go forward or backward; whether it intends to make progressive history for Canada or the opposite; whether it intends to recognize the ills of agriculture in western Canada or to turn a deaf ear to those ills, as it has done since it assumed office. May I say—

Mr. SPEAKER: The hon. member's time has expired.

[Mr. McIntosh[

Mr. McINTOSH: I have just a word to say in conclusion, Mr. Speaker. Let me say to the government that I hope it will not follow the downward course; that is—

Not down, down, down to the uttermost down,
For the pathway is long and deep;
And as you go down to the uttermost down,
Your're prone to get fearful and weak.

But up, up, up to the uppermost up—
Oh, the pathway is steep and long—
And as you go up to that uppermost up,
Cheer all the way with a song.

Mr. T. F. DONNELLY (Willow Bunch): I have listened with a great deal of interest to the present debate, and I should be neglecting my duty as a representative of my constituency if I did not speak to the amendment which has been proposed. I believe the hon. member for Lisgar (Mr. Brown) was induced to move this amendment by the speech delivered in this house by the Prime Minister (Mr. Bennett) in the debate on the address in reply to the speech from the throne. During that debate I heard Liberal members on this side of the house, one after another, representing to the government the conditions as they had found them in western Canada, and I believe that every one of them was telling of the conditions exactly as he had found them in his own constituency. And when they were through the Prime Minister got up and began to read them a curtain lecture. He told us that we on this side were only playing politics, making such speeches only for political purposes. I resent a statement of that kind. If, having entered politics, I am not to be allowed to get up and tell the truth regarding conditions, then the sooner I get out of politics the better. But let me tell the government, Mr. Speaker, that I do not intend to be bullied either by the Prime Minister or by anyone else. The Prime Minister may be able to bully his own cabinet and to keep their mouths shut, but he will not keep our mouths shut on this side of the house. He will not prevent us from portraying conditions as we find them, no matter how much he may curtain-lecture the house and attempt to bully us. We will not be bullied. It is contrary to my nature anyway.

No man in the history of Canada, Mr. Speaker, has done more to discredit public men in the eyes of the common people of this country than the Prime Minister. He went from coast to coast during the last election, preaching prosperity, promising to usher in better times, and representing the conditions in the country as something for which the

then Liberal government was responsible. He said to the people, "Put me in power and I will give you heaven and earth—everything; I will give you whatever you want. You shall have prosperity; there will be good times." Well, the people took him at his word and returned him to power. And what do we find now? We find harder times than we have ever known. The result is that the common people have the impression that no public man can be relied upon. They say, "There is the Prime Minister. He made promises which he knew quite well he could not carry out." He was a high pressure salesman all right; he sold himself to the country. He went from coast to coast with his propaganda and sold himself. Let me say that if any stock salesman had gone from coast to coast as he did and had sold stocks, making representations such as he made, that stock salesman would be in jail to-day. They would have had him arrested. The right hon. gentleman had no regard for what he promised. He went up the high mountain, showed the Canadian people the glories of the world, and said, "You can have it all if you only vote for me." And they voted for him. But they have learned their lesson; make no mistake about that. The people in western Canada have learned their lesson and now they know they were handed a gold brick. The conditions as hon. members on this side have indicated them are the conditions as they exist in the west, and it is because those conditions are as they have been represented that I now get up to speak on this amendment.

When the Prime Minister was speaking in Calgary on June 19 last year, he said, "We will look over the top of the hill and beyond the horizon to make provision for the Canadian agriculturist." I do not know whether he has ever got up on that hill. That was the hill of prosperity which he was going to have the Canadian people climb. Well, we have not even got to the foothills yet.

An hon. MEMBER: You never will.

Mr. DONNELLY: We never shall with this government; you are absolutely right. Let me tell hon. gentlemen opposite that they are going in the wrong direction. They are not reading the signposts along the road. They are going into the valley of despair. The Prime Minister, after he was elected, said, "Wait until the special session; I will pass resolutions, I will vote $20,000,000, there will be prosperity." When the special session came he said, "I was wrong; wait until we have the regular session." And now that the regular session is in progress, what does he say? He says, "If I am given health and strength I will bring you prosperity." Why, Mr. Speaker, we are filled with such promises. We want action. We have had too many promises; we want some of the action which the right hon. gentleman was going to give us. But we are getting none of it. We are, as I say, going deeper and deeper into the valley of despair, because hon. gentlemen opposite are not observing the signs along the road. They are going the wrong way. I advise those hon. gentlemen to turn around and go in the other direction if they want to get anywhere. Their whole policy is wrong, and this country will get nowhere under such a policy.

I wish for a moment or two to refer to two or three things the Prime Minister said in regard to conditions in the west. Speaking in this house, he said:

> Wherever men have had regard for economic laws and have kept free from speculation and wild dreams of sudden wealth, they are happy and contented and have provided a good livelihood for themselves and their families.

And he went on:

> What is the cause of the great depression in western Canada? Hon. gentlemen opposite know that the most important cause is speculation.

What does the Prime Minister mean by speculation? That is an important thing. If he means speculating in grain or speculating on the stock exchange, I want to tell him that I know thousands and thousands of people in the west who never invested a dollar in either of these forms of speculation, and yet they are in despair and in financial difficulties at the present time. I know thousands of them. I know that some of the best men are suffering, although they have never invested a dollar in speculation in their lives. But if the right hon. gentleman means by speculation the investment in land and farm machinery, in horses and equipment of various kinds, then I will admit at once that a good many farmers have speculated. There is no doubt about that. But let me tell the Prime Minister that farming conditions in the west have changed considerably within the last thirty years. I have been farming there for that length of time, and when I went there I found a piece of land of 160 acres a good-sized farm. But farms have expanded. The farmers, like the manufacturers, have gone into mass production, and we know that to-day 640 acres constitutes an ordinary-sized farm. A man can farm 640 acres to-day as easily as he could 160 acres thirty years ago. There has been a considerable increase in the use of farm machinery and equipment generally, and great strides have been made in the mode of farming. Conse-

quently, farmers can take up more land. If that is speculation, all right, but does the Prime Minister intend to condemn a man because he has confidence in the country, because he believes in it, because he has investigated it and is satisfied with the result? Surely not. Surely the right hon. gentleman is not going to condemn a man because he says: This country is all right and I am going to buy more land, I am going to buy better equipment, I am going to build a better home and a better barn. Surely the farmer has the same right to do that as has the manufacturer to erect a bigger plant, to put in better machinery and to go into mass production. That is all the farmer has done, but the Prime Minister gets up and dares to condemn him for his action. It ill becomes the Prime Minister or anyone else to condemn the farmer for doing these things; he is to be commended rather than condemned.

The Prime Minister then went on to say that during the last twelve months the banks had increased their agricultural credits by 16 per cent. I will agree with that statement, but I am surprised that the increase was not greater. In the spring we borrow a little money with which to seed our land; in the fall we borrow a little more to harvest our crops, and after the harvest is over we pay our loans and start off with a clear sheet, or, if necessary, borrow a little more. But what were the conditions last year? After we harvested our crops we could not pay any loans, and I guarantee that ninety-five per cent of the present outstanding loans are simply renewals of old notes. With the exception of a new credit here or there, this increase is made up of renewals, and I am surprised that the figure is not much greater than that given by the Prime Minister.

Conditions are serious in western Canada. I have lived there for some thirty years and I have never known them to be worse than they are at the present time. I have seen the farmer wiped out with frost, with drought, with hail, but always he would say: Next year things will be all right. We do not find that spirit to-day; the note of optimism has gone. We are sowing our crops but we do not know what we will reap. Should we obtain a good crop, we figure that prices probably will be bad and we will be worse off than ever. One thing which this government should do is to restore that spirit of optimism which has always prevailed in western Canada.

I would like to read one or two letters which I have received from my constituents. One received from Hodgeville reads as follows:

> Times here are terrible. The farmers are in a state of panic not knowing what to do. They cannot start seeding as we have had no rain and the soil is drifting and blowing so that some days one can scarcely see ten feet away. On top of this adding another mortgage for seed and feed, and many for food supplies.
>
> I have never seen such despondency and discouragement among the masses, even the hitherto well-to-do. God only knows how it will all end.

[Mr. Donnelly.]

The next is a letter received from a clergyman, reading in part as follows:

> This has been the most discouraging spring I have seen in the west and I have been here for twenty-one years now.

He is a clergyman giving his independent view. Another letter reads as follows:

> If the people of eastern Canada wanted to aggravate the people of the west to the verge of war and bloodshed they couldn't have found another man in all the world with a disposition more suitable to carry out such a program.

The writer refers to the present Prime Minister. The letter continues:

> Talk about a bull in a china shop causing trouble—if he could do more damage than this bird at Ottawa he would need to be a superbull.
>
> I don't suppose there is another man in the Dominion of Canada or any other country that could have caused so much trouble and suffering and discontent in such a short time in office

The writer of this letter is a good Tory who has always voted against me. The letter continues:

> And his last speech at Ottawa ought to convince the farmers of the west what they can expect from the federal government in the way of relief from their present difficulties.
>
> Another thing our Conservative supporters ought to know by now, and that is out of eight members they sent from Saskatchewan to Ottawa, two proved to be feebleminded—

I wonder who they can be?

> —and the other six were deaf and dumb. So I must say to the people of Saskatchewan, why spend $32,000 to keep these birds at Ottawa when they could be kept so much cheaper in Saskatchewan?

Mr. MANION: Mr. Speaker, I rise to a point of order. The hon. member cannot put on Hansard the words of someone outside this house which may be offensive to an hon. member. He is reading a statement made by someone outside the house to the effect that two of the hon. members from Saskatchewan are feebleminded. I submit that to make a statement like that is unparliamentary and out of order, even when made in the form of a letter written by someone else.

Mr. DONNELLY: If the hon. minister will name the two hon. members to whom I have been offensive, I will withdraw my remark.

Mr. MANION: The hon. member is simply making it worse; he is making it offensive to all the hon. members.

Mr. SPEAKER: I think the point of order is well taken. Unparliamentary language cannot be quoted any more than it can be uttered in the house, and I would ask the hon. member to withdraw his remarks. He would not himself say that hon. members from Saskatchewan were feebleminded, and he cannot quote people outside of the house as making that statement.

Mr. DONNELLY: I will withdraw the statement, but I might say that it was made in a published letter.

Mr. SPEAKER: Even so, it is not parliamentary.

Mr. DONNELLY: This letter was published in the press of Saskatchewan. I will withdraw that particular statement, but will continue with the letter. It is as follows:

> But on the other hand if the farmers of the west have such substantial bank accounts as our beloved friend, Mr. Bennett, says they have, why should they worry about a few thousand dollars more or less, or whether they keep their feebleminded at Ottawa or Weyburn.
>
> Now, in regard to our provincial government, Premier Anderson needn't try to bolster up the Bennett government for it can't be done. Mr. Bennett's last speech at Ottawa swept away the last thread of confidence that the people of western Canada had put in this so-called super-man and left bare his true character—that of a rank imposter.
>
> Premier Anderson said there never was a government in power before that gave as much money to the west as the Bennett government, but he didn't say that there never was a government in power before that took so much money from the west. This Bennett tariff wall has cost the people of the west around $50,000,000. Then he tries to make a big man of himself by giving the west a few million for their unemployed and the rest goes to the eastern manufacturers. This is the kind of a square deal the west is getting from the Bennett government.
>
> If the people of western Canada are going to submit to this particular brand of British fair play then I must say they haven't got any more backbone than a jellyfish.

That letter was written by Mr. Tom Clark of Willows, Saskatchewan, and is dated April 27, 1931. This man is credited with having voted against me in the last election, and has always voted Tory. His letter gives his opinion of the present government.

Mr. JACOBS: Can the hon. member read any letters from any of his constituents who voted Liberal?

Mr. DONNELLY: I would gladly do so, but I am afraid they would be unparliamentary. I ask here and now: what does the present government intend to do? What is their policy with regard to agriculture? We have sat here and listened and every one of us has asked: what is the government's policy with regard to agriculture? Farmers are writing to me from day to day and week to week to this effect: "Keep after the government and try to make them tell us what they intend to do for us. We have been endeavouring to do that, but we get no answer." The government seems to be deaf and dumb, just as this man said.

The Minister of Agriculture (Mr. Weir), however, did bring out a policy to which some hon. members on this side have referred. This announcement of policy, which appeared in MacLean's magazine, is called Canada's new agricultural policy, and it is divided into twelve heads:

1. A national marketing board.

That is all right.

2. Lower costs of production obtained by increased yield per acre.

That is a nice thing.

3. Sowing of land to crops best suited to it.

That is all right so far as it goes.

4. Research work to discover fertilizer required for different soils.

That is all right too.

5. Immediate survey of seed grain, seed vegetables and fodder crops.

Those are all right. Then we come to number 6, and I want the house to pay particular attention to this:

6. Creation of "bull clubs."

Then the seventh:

7. Immediate improvement of quality of swine.
8. Eradication of disease among poultry.
9. Research work on feeds.
10. Increased effort to eliminate parasites.
11. Transformation of experimental farms into local educationl centres.
12. Cooperation with provincial governments in carrying out policies.

Those are all right so far as they go, but practically every one of them has been in operation for years and they are not going to help our conditions one bit. I can answer all of them just the same as many questions are answered in the house. I can say that numbers 1, 2, 3, 4 and 5 are all answered by number 6. Then number 7, 8, 9, 10, 11 and 12 are all answered by number 6 too, and that is the "bull clubs." That is all there is to it; there is nothing in it to help the farmer at all. It is all window dressing, all show, all froth, eyewash. We want something substantial. We want something that is going

to do some of us some good. This is of no use at all. The people of western Canada are in a desperate state, and desperate conditions require desperate measures. We are asking the government for desperate measures, something that is going to bring us out of the woods, but we are getting nothing. The government are deaf and dumb.

Of course we know the Prime Minister came out to western Canada and at Regina said that the thing to do was to go into mixed farming. He said: We are going to get a revolving fund of $5,000,000 and bring you out on the Minnesota plan. This fund of $5,000,000 is alright; we will take the money quickly enough, but what the western farmer is looking for to-day is not a chance to get further into debt but a chance to get out of debt. It is all very well to bring in the Minnesota plan when prices of live stock are rising, but it is a different proposition when they are declining as they are at the present time. I would say to anyone who is thinking of investing money in a scheme of this kind: take a long last look at your money, because it is going to be many a day before you see it again; kiss it good-bye when you put it into the fund, because I doubt if you will ever see it again. The hon. member for Marquette (Mr. Mullins) seems to favour mixed farming. There appears, however, to be a wrong impression about mixed farming. A year ago the price of butter was away up, but now domestic butter is worth about ten or twelve cents a pound and eggs are worth eight or ten cents a dozen. We do not hear so much about the price of beef, but I have before me the report of the Dominion Live Stock branch, markets intelligence service, giving the top prices at Edmonton for the week ending April 2, this year and last year, as follows:

	1931	1930
Butcher steers.. .. .	$5 25	$10 50
Select bacon hogs.. .. .	6 85	12 10

So that present prices are just about one-half of last year's prices. If the farmers can make money at the present starvation prices, then last year they must have made a fortune, and I doubt very much whether the farmers to-day can make money with prices of farm produce as they are.

But there seems to be a wrong impression altogether as to mixed farming conditions in western Canada, and I wish to say just a word or two about this question. In my opinion western Canada can be divided into three great areas. There is one area which, on account of climatic and soil conditions, is fit only for ranching. There are some districts in the southern and eastern parts of Alberta and the southern and western parts of Saskatchewan, and other districts here and there, which on account of the soil—sandy, stony, gravelly, or rough—or on account of climatic conditions—extent of rainfall—are fit only for ranching. Then there is the broad open prairie, which, on account of climatic conditions, is fit only for grain; we can grow grain; we cannot raise live stock. We are not sure of rainfall from day to day and week to week so as to get pasturage for the stock. We are not sure of water for watering the stock. If we had plenty of water, the proposition would be different, but I have known of farmers hauling drinking water twelve miles, and one cannot raise live stock if one has to haul water that distance. Many of these farmers do not keep horses for farming; they use tractors entirely. We can grow small grains and wheat, but we cannot grow oats or flax. It does not take as much rainfall to grow wheat or flax or some of the coarser grains. It does not pay us to go into mixed farming. Here and there, throughout that district, wherever it pays us to go into mixed farming, we do so; we have some stock. Then there is the great northern part which has its rainfall, its water, its shelter for the stock. It is fitted for mixed farming, but the people there are already engaged in mixed farming. It may be possible that some of them should go into it a little further, but any farmer who goes into mixed farming must do so gradually. Let him buy one or two head of stock, go into the thing gradually, and find out how to handle stock. Do not let him rush into it wildly and think he is going to make a fortune, because it cannot be done. Let him handle just what stock he can handle properly and no more. One thing is sure; he cannot make a fortune out of it at present prices.

What our farmers are demanding now from the Prime Minister is that he make good his election promises. He promised to find a market for our wheat and other farm produce at better prices. The Conservatives went through my constituency and promised that if returned to power wheat would be selling at $1.80 and $1.90 a bushel. Put the Conservative government in, they said, and wheat will go up from eight to ten cents a bushel right away. Some of them even guaranteed that if the Conservative government came into power wheat would go up within two weeks by ten cents a bushel. As a matter of fact, wheat went down ten cents a bushel during the first five days this government was in power. It has been going down ever since, and the bottom is not in sight.

The Prime Minister says that we are now selling wheat. No, Mr. Speaker, we are not selling our wheat; we are giving it away. To sell a commodity at 50 or 60 cents a bushel is quite different from selling it at $1.50 or $1.60 a bushel. At the time the Liberal government was in power the price of wheat was around $1.50 a bushel, but since this government took office the price has been from 50 cents up to less than $1 per bushel. Why does the government not do something with regard to the price of wheat? They are doing nothing; not a man on the government benches has a word to say about it; they are deaf and dumb still. What the farmers of Saskatchewan are demanding is that the government do something, that they sell our wheat, that they look after our farm products, because our western farmers cannot continue very long to raise crops under the present conditions.

The present policy of the Conservative government is absolutely wrong. It is absurd to put a wall around the country, shutting out all foreign goods; it simply means that we cannot buy from anybody and therefore we cannot sell our goods. There is not enough gold in the world to use as a purchasing medium; the only way we can sell our goods is to take other goods in exchange, and unless we take other goods in exchange for our wheat we cannot sell it at a profit. Therefore I say that to put a wall around this country, preventing us from exchanging our wheat for the goods of other countries, is the wrong policy. Where we should be to-day is not at the London conference, but at the Briand conference, among the wheat buyers of Europe. I do not think anything worse could have happened for the wheat growers of western Canada than what happened at Rome. Our High Commissioner in London went there, and what did he do? There were the buyers and there were the sellers, and he split them into two different camps. Who does the seller want to make friends with? With other sellers or with the buyers? Any man who is selling commodities knows that the seller wants to make friends with the buyers. But our High Commissioner split this conference of European buyers and European sellers into two, and he said: The sellers will all meet in London for a conference, and you buyers can meet in France three days before that conference. Nothing worse could have happened for the wheat growers of western Canada than to divide the conference into two camps in that way. We as sellers do not care what the other sellers think. The ones we are interested in are the buyers. They are the people we want to make friends with; they are the people we should be doing something for in order that we may be able to sell our products to them.

The policy of the Liberal government, Mr. Speaker, has been altogether different from the policy of this government. The policy of the Liberal government was for wider markets, more open markets, freer trade. It was to take the goods of other countries in exchange for our goods, to make treaties with other countries, to get preferences in their markets and to give preferences in ours. We believe that if the Liberal government were in power in this country to-day and the Dunning budget were in force, we would have no trouble in selling our wheat at a good profit. That is the policy that we have always advocated and it is the policy we advocate to-day. The policy of this government, on the contrary, is to build a wall around the country, and for the country to live within itself. The countries of the world that have followed that policy in the past now realize that they were wrong and are beginning to tear down their walls, while Canada is beginning to go in the opposite direction. It is building up a wall just as other countries are beginning to tear theirs down. All over the world to-day the tendency is towards freer trade and more open markets.

I want to make this suggestion to the government: What we should have at the present time is a wheat board to market our grain.

Mr. SHORT: Why didn't you have it when you were in power?

Mr. DONNELLY: The price of wheat was so high then that we did not need it. But to-day, since this government has closed all the markets of the world to our products, we do need it. If we are going to market our grain, it is absolutely necessary that we should have our grain under some single control, even if it be under the farmers' control, such as the 100 per cent wheat pool. Either that, or it must be under government control—one or the other. You cannot enter into arrangements to market grain when you have none to market. How can the government go over to England and talk about marketing grain when it has no grain to market? You can no more do that than you can market overalls or lobsters when you haven't got any.

An hon. MEMBER: The government has lots of lobsters.

Mr. DONNELLY: Yes, and some are boiled and some are raw. There must be a single control, and the best way to bring that

about, I suggest, is through a wheat board. Establish a wheat board and give it control, with power to investigate conditions and make arrangements for disposing of our wheat. Give it power to enter into quota arrangements, for a premium, if necessary.

I wish to refer to the proposal that I made in the house the other night with regard to fixing a price of wheat for home consumption, and to answer a few objections to that proposal. There was an idea that it would be a terrible thing for the consumers in Canada. If you look at the price in Canada to-day, you will see that one cent's worth of wheat goes into a pound loaf of bread, with wheat at 60 cents a bushel. With wheat at $1.50 a bushel, you would be putting only 2 cents' worth more of wheat into a loaf of bread; it would be increasing the price of a loaf of bread to the consumer in Canada by about 2 cents, and that would not mean much to the consumer. What does the report into the alleged combine in the bread-baking industry in Canada say in this connection? It points out that the price of wheat has very little to do with the price of bread. It says, at page 12:

> The difference in flour prices, which are the medium through which the influence of wheat makes itself felt, does not account, then, for the difference in the two levels of bread prices, the one in 1913 and the other in the years 1925-1930. . . . In other words, even if the baker had got his flour for nothing in 1930 he would still have charged 5·1 cents a pound for his bread; in 1913 he would have charged only 2·3 cents.

No, Mr. Speaker, the price of wheat has very little to do with the price of bread. It is the prices of the other ingredients and the costs of distribution that are the big factors in the price of bread. Fixing a price for home consumption would not interfere in any way with the millers. Our millers who are milling for export would still receive their wheat to mill into flour for export at export prices. So if we set a price for home consumption it would not interfere with the millers.

Another objection was this, that if we fix the price for home consumption in Canada, the western farmers would go into the growing of wheat wholesale. I would point out, Mr. Speaker, that at 70 cents a bushel it does not pay the farmer to grow wheat; it would pay him only part of his expense, and he would still be losing money. So that if the farmer received a price, say from 70 to 73 cents, which would partly pay his expenses, he would not be induced to go into the raising of wheat on a wholesale basis.

[Mr. Donnelly.]

I want to hurry on because my time has about expired. It is necessary that the spirit of optimism in western Canada be restored. Nothing would do more towards its restoration than to have the price of bread and flour fixed for home consumption. The farmers of western Canada would then feel that the people in the east are behind them, and trying to help them, and the support of this part of the country would help to buoy them up under the present difficult conditions. It would not mean very much to eastern Canada, but would do much towards the restoration of the spirit of optimism among the western farmers. I say the government could not consider anything better than to take some action of that kind. I repeat my suggestion that the government appoint a wheat board, and I ask them to investigate the proposal of fixing the price of wheat for home consumption in order that the wheat growers of western Canada may receive the benefit.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, I wish first to take this opportunity of thanking hon. gentlemen opposite—perhaps they did not intend it any too kindly—for the great pains they have taken to bring before this house and before the people and the press the fact that I am inexperienced. They have said that I am "green." That is true. There is not in this house a member greener in politics than I am—and God grant that I may remain so. They have also referred to my limitations in various respects, agricultural and otherwise; in this also they are correct. In confirmation of their statements, I wish to say that on those points we agree in every particular. May I add that up to last June I had never attempted a political speech. Nothing was further from my mind than politics. I had attended only one political meeting since the war until my own convention was held. But there was a growing feeling among the farmers in my part of the country that they should be represented by a person who had been a farmer but had not been tied down to any political party, whether Liberal, Conservative or Progressive. I regretted very much that the lot fell to me to represent them, for I felt that there were many farmers who were very much better qualified than I was to assume this great responsibility.

But they felt that I had one qualification that was necessary for the accomplishment of the task which they imposed upon me—I was a university graduate, little realizing, although I made it as clear to them as I could, that mathematics did not, any more than farming, give a person ability to speak. Therefore with this clear understanding and agreement that I have no political experience, I ask the indulgence of the house to-night. It is difficult enough to speak, it is still more difficult to think and translate one's thinking into parliamentary language.

I realize that my time is limited, very limited, to speak on a subject so comprehensive and important, and yet I feel that decent people throughout the Dominion,—and thank God the majority of the people of Canada are decent—would think that I was very remiss in my duty to-night if I let this opportunity pass to answer in as emphatic a manner as with my limited capacity I am capable of, the many cowardly attacks that have been made, more especially the most cowardly of all this afternoon. From the beginning of this session until now I think the attack this afternoon has been the most cowardly of all.

Some hon. MEMBERS: Order.

Mr. WEIR (Melfort): Hon. gentlemen on the other side at the very outset pointed to the right hon. Prime Minister (Mr. Bennett) as "the autocrat", "the great I am." Do they think they can fool intelligent people that way? Nothing could be clearer than the facts as they stand revealed. The right hon. Prime Minister has been returned election after election by the freest thinking people in the Dominion—the people of the cow town, city of Calgary, where they are accustomed to think straight, to talk straight, and, in days gone by to shoot straight. Do my friends opposite think that a city of free thinking people would idolize an autocrat? Does the right hon. the Prime Minister's return election after election show he has lost the common touch, that his heart does not vibrate in unison with the common people, that his mind does not think along the lines of the free-thinking men of the west? There are no politics in Calgary.

Some hon. MEMBERS: Oh, oh.

Mr. WEIR (Melfort): There are a few transient Liberals who still vote Liberal, as also do a few civil servants, especially those who to get an appointment vote that way. At least it is very peculiar that there was only a very short interval between the time some of them took out their naturalization papers and the time they got their appointments, although they had lived here years before, and practically the only real qualification that seemed to be necessary for their appointment was that they were bosom friends of some of the chief Liberal organizers in the city. I say there are no politics in Calgary.

Some hon. MEMBERS: Oh, oh.

Mr. WEIR (Melfort): There are a few transient Liberals, I repeat, a few civil servants; but the others are not Conservative; they do not vote Conservative, they vote for Bennett. There is another city in the west, that dearly beloved city of Prince Albert. It is a city peculiarly situated and it has had a unique history. It is situated between the old settled district and the new or pioneering district. There is nowhere in Canada where the pioneering spirit has been kept so much alive as in the city of Prince Albert. What that pioneering spirit means only you who have lived in the west know. That spirit is this, that even though your house be a shack, or your barn merely a small place to shelter your cattle and your horses, it is a religion of the pioneers of the west that they will never turn anyone from their doors, whether black or white. Is it any wonder then when there appeared in Prince Albert a political outcast from eastern Canada, that nothing could be more natural than for those people to take him in? But let him beware. There is a difference between a night's lodging and thrusting yourself upon a hospitable and generous people as a permanent boarder. At the first election they accepted him out of generosity. But how was their hospitality responded to? At the meeting during the past election that was supposed to be a public meeting all the available policemen were on hand to keep order! That was the Liberal answer to the hospitality of the people of Prince Albert. But the city of Prince Albert gave its answer as a city on election day. The point I wish to make is this. I hate to say things that seem to hurt, but it has been so incessantly repeated in this house that the right hon. Prime Minister is an autocrat that I think it is only fair I should give the facts as the people of Canada see them. On the one hand we have the so-called "autocrat", who has been returned election after election with increasing majorities; on the other hand we have the right hon. gentleman whose heart bleeds for the common people, who weeps with them in their sufferings, and whose sympathies are with them always. Yet he moves from one part of Canada to the other to get a seat.

It has been said that there is no man in Canada big enough to formulate a policy in

agriculture. No one realizes that better than I do. After I received my portfolio my first utterance was that no one realized better than I did my many limitations, and that I should seek every occasion for consultation with experts. I have been ready to receive constructive suggestions from persons in any walk of life. I have asked hon. members to give me any constructive ideas that would be of benefit to the agriculture of Canada. I did not want people to think that in some subtle way I was trying to steal their ideas. Therefore I made it clear that I would take every opportunity to give credit where credit was due. As long as the idea was such as if put into practice would redound to the advantage of agriculture in Canada, I was willing to give credit to the originator. That was the only reward I wished. I told you I had no political experience. It may be of interest to some hon. gentlemen to know that I did not even run my election as a Conservative, but as an independent Conservative. I made the statement at the convention that I wished to be free to vote as I saw fit in the interests of the farmers of Canada. I made that pledge on the 6th day of June and it was on that pledge that I took this trust from them. And I will keep that trust. I speak to-night, then, only as a farmer and in the simple language of the farm.

No one was more surprised than I was when the Prime Minister (Mr. Bennett) called me to ask me to take the portfolio of agriculture. I made it clear to him that I had no political experience and that I felt that was absolutely essential to make a success of such a gigantic undertaking. His answer was characteristic. He said, "I called you not to be a minister of politics but Minister of Agriculture." His attitude has been the same from that day to this, and I have no hesitation in saying that there was never a minister of agriculture in Canada who enjoyed in fuller measure the wholehearted support of the Prime Minister, his chieftain, and that of his colleagues than I have done. If there is any falling-down in the Department of Agriculture the responsibility is mine and mine alone.

And now for a few minutes with reference to agriculture, because I realize my time is brief. It was emphasized the other day—I do not know why special attention should have been called to the fact, but I am glad it was,—that I had resided only three years on a farm. It was said, with reference to certain gentlemen here, that all they knew about farming was looking through the fence on to the farm. I couple that statement with a suggestion which the hon. member for Melville (Mr. Motherwell), the former Minister of Agriculture, made—the only supposed constructive suggestion, I believe, which has come from the hon. gentleman since the house has been in session. It was this. He advised me in connection with cut worms to send people to a certain district to get caterpillars or larvae and to incubate those caterpillars to see whether the eggs laid by moths were fertile. I shall never forget the picture I saw opposite as I sat beside the Prime Minister. When the former Minister of Agriculture made that statement there was a nod of approval and of confidence on the part of the right hon. the leader of the opposition (Mr. Mackenzie King), who was looking in my direction, as much as to say, "You see what twenty-two years' experience as Minister of Agriculture can do." Other farmers from the west on the other side also nodded their approval. That is what practice does. Well, certainly even the chief entomologist of our department will acknowledge that there is no man in his department with such deep, intensive scientific knowledge or insight as to be able to tell by incubating caterpillars whether the eggs laid by moths are fertile or not.

Maybe I have resided only three years on a farm, maybe there are other gentlemen on this side who know nothing about farming beyond what they have seen by looking through the fence. But could they know less by standing outside and looking through the fence, than if they were as completely asleep as old King Tut himself, to whom the hon. gentleman referred?

I must be fair. I said hon. gentleman opposite. I did not have time to watch the faces of all as closely as I might have done. But I did observe this. The thoughtful member for Red Deer (Mr. Speakman) showed by his smile that he appreciated the humour of the situation. The member for Acadia (Mr. Gardiner), with his Scotch humour, also smiled and looked around to see whether some of the hon. members on the other side did not, with him, relish the humour that was taken so seriously. And the hon. member for Wetaskiwin (Mr. Irvine) almost bubbled over before the statement was well out of the mouth of the former Minister of Agriculture. But enough of that. No one, Mr. Speaker, is freer to admit his limitations than I am. I have missed no opportunity of asking for advice, and here let me say that some of the best advice I have received towards the formation of agricultural policy has come from hon. gentlemen opposite in the far corner of the chamber.

And now for agriculture. I hesitated as to what plan I should take to-night, whether to outline policies or to start at the beginning and follow them in chronological order as problems came before us. I have decided upon the latter. One of the first propositions I ran into was a method of obtaining a market for cattle that were in Canada, seeing that it was impossible for us to get a market in the United States by reason of the high tariff wall there. I made inquiries, even before the by-election, as to what ships were available and what boats might be fitted out. And here is the situation as I found it. Although I have referred to this on many occasions, I attach no blame to anyone. But the first obstacle came in the answer of the steamship companies, that on a previous occasion a former minister of the crown had advised them to fit their boats to carry cattle, promising so many head for so many shipments. The steamship companies went to the expense of fitting their boats, and the promise was not carried out. I do not blame anyone for not doing things that were impossible, but I do think that if some precaution had been observed, and this promise had not been given, it would be much easier now to persuade the steamship companies to carry out the refitting of their boats in order to transport Canadian cattle. However, realizing the situation, I immediately got in touch with professional experts—I do not mean so-called educated professional experts, but men who knew their business. I got in touch with five or six of the leading ranchers of the west; because I considered that the men with whom I could best discuss the cattle situation were men engaged in the cattle business. I wired them to meet me in Regina, and we consulted as to the best course to take. We decided to make two trial shipments, in which would be included cattle of different types. I got one of the best cattle men in the west to go along with the shipment so as to be able to put these cattle before the old country market in the most convincing way. In this shipment were groups of different types, and the man selected to put the cattle on the English market was Mr. Shea Gilchrist. He made the necessary arrangements and did everything within his power to create interest in the old land in this and any other shipments that might be made. I saw the cattle before they left Montreal, and I felt that the best advertisement which we could have in the old country for Canadian cattle was this representative shipment. I thought that we could have no better advertisement than to make sure that some of the most suitable cattle would go into the hands of feeders. To encourage this, and to make certain that these cattle would not be slaughtered, it was agreed that we should subsidize them to pay freight up to five dollars a head. Although I made that proposal on Saturday—it was not a binding promise but merely a suggestion—the news immediately got to the old country. It appeared in the newspapers there that the Canadian government was subsidizing cattle and I had to withdraw the tentative promise made. However, I asked Mr. Gilchrist to take every precaution to see that this special shipment was not sold but put into the hands of some feeder, especially a leading farmer, in order that English farmers might see in the old country the type of cattle we had. He was very successful. He got them into the hands of one of the most outstanding north of England feeders. He went to see them twice before he left, and he assures me that nothing could be a better advertisement for our western cattle than this shipment. Later shipments went to Glasgow, and we arranged that some of these cattle should also go to feeders. The results were not as encouraging as we might have expected. But I went west in January to make arrangements for a shipment this spring and was surprised to find how pleased the ranchers were with the results of the four shipments we had made. Some of the cattle, the heavier type, brought three dollars a head more than they would have done in the local market, and although some of the lighter cattle were sold for less than they would have brought locally, it was the unanimous opinion of the ranchers there that the price of cattle in the west had been held up from half to three-quarters of a cent per pound. That is not my opinion; it is the opinion of men in the business.

A simple mathematical calculation will show what that half cent a pound with that volume meant to the cattlemen of western Canada. When I made my trip to Calgary in January I was following a policy which I hope always to follow while I continue in the position I now occupy, and that is, that no politics will in any way be allowed to interfere with agriculture. The only man whom I notified when I made my second visit to Calgary was Senator Riley, and I do not think any person can accuse him of being a rabid Conservative. He met me in the hotel and introduced me to the cattlemen. We stayed there and made plans for the handling of cattle this spring, but I do not think that is sufficient; we need plans to extend into the future so that we shall not continue in any

haphazard way to formulate plans, only when faced with an emergency. We endeavoured to obtain all the information we could as to cattle on feed in the west, the types of cattle, where they were situated, and so on; and in addition we made arrangements with the transportation systems to give us a 50 per cent freight rate from the ranges to the coarse grain feed lands in northern Saskatchewan. That would save an extra toll—that is the only word I can use, because it seems to me that from the time produce leaves the farm until it gets into the mouths of the consumers it is one toll after another. As practical farmers we endeavoured to find ways of saving a dollar here or a dollar there, whether by freight, commission or otherwise, because it is often those few dollars which mean the difference between profit and loss. We made arrangements not only for the shipment of these cattle to the northern feed lands at 50 per cent of the regular freight rate, but also for reductions in the expense of the farmer going down to hunt those cattle. We arranged that he would be able to obtain accurate information and it is hoped by next fall or possibly late summer that the farmers in the north will be able to obtain cattle according to their requirements at a minimum expense.

In addition to that we felt that many farmers in Saskatchewan had had very little experience in feeding cattle and that it was only fair that this machinery should be put into their hands for immediate use. Simple experiments were carried on with the home-grown feeds. I asked the experimental farm at Rosthern to perform experiments on some eighteen or twenty head of steers and heifers, sired by the one bull so that the strain would be uniform and there would be the least variation possible in the results. I asked them to feed cut sheaves and crushed barley to one group, and cut sheaves and crushed wheat to another group, in both cases with salt and water only. Many people thought that we would not have any success with feed such as that, but realized that many farmers in western Canada have had no experience in feeding and they would want things to be as simple as possible. After allowing for the freight on the cattle and the purchase price, they were sold eighty-four days afterward on a basis which returned $1.19 per bushel for wheat and 83 cents per bushel for barley.

One of the most difficult problems we had to face was the impossibility of shipping these cattle to the United States. Regulations and restrictions had been put on the shipment of cattle by the British government—we knew of this last November but no announcement was made. Announcement was made some two months later that there was an embargo against Canadian cattle. It was announced also that there were 100,000 cattle in western Canada for export, and the result of such an announcement was evident; the people thought that they would be unable to get rid of their cattle; they threw them on the market and the price went down. We were able to counteract this to some extent. It will be of interest to the cattlemen in the house that we have every available foot of space to be secured in British ships this summer to carry our cattle to the old land.

The next problem had to do with butter. It has been said that the raising of the duty on butter encouraged a lot of people to go into the dairy industry with the result that the prices on butter were broken. That is not my interpretation of the cause. I believe that the price of wheat and the price of coarse grain was such as to encourage people to enter this industry; they were ready to go into anything which would make them five or ten cents with which to carry them through the winter. In order to save this industry we put on an eight-cent duty against New Zealand butter. However, the Australian treaty, made by the previous government, was still in force and that permitted a one-cent duty only against Australian butter. We were faced with a flood of Australian butter, and my colleagues and I realized that the only way to meet this emergency was to make a verbal agreement with the Hon. Parker Moloney of Australia to the effect that Australia would not release in Canada any butter under 32 cents per pound except with our consent. This at least helped the dairy industry of this country through the winter months. There was a possibility at one time that the price would be driven down by New Zealand because they were shipping in some butter to sell at less than 32 cents. I immediately got in touch with the commissioner for New Zealand and was able to arrange with him that their butter would not be released at a price less than 32 cents per pound to the detriment of our dairying industry. This state of affairs lasted until some two weeks ago, when the increased production of butter in Canada drove the price still lower. In my opinion, one of the reasons for this drop is the lack of a uniform board of control in Canada to supervise this industry. For the benefit of those who have expressed adverse opinions, I will say that when we came into power Canadian butter was selling at a lower price than that prevailing in the United States, and Australian butter

in England, and I believe New Zealand butter as well. Immediately after coming into power we put on a duty of eight cents per pound; from then and for some six or eight months our butter was selling at a higher price than was butter in London and the United States. That continued, as I said before, until some ten days or two weeks ago.

The butter industry is almost to the export level; we expect it to be at that level within a short time. I am told by the dairy commissioner and by produce merchants that our Canadian butter as a whole is not sufficiently uniform as to grade to permit its being labelled and shipped to the old country as Canadian butter. The former Minister of Agriculture, recommended the other day that some of the creameries in Quebec should be merged into larger creameries in an endeavour to develop a more uniform grade of butter. Surely this is not the time to do that. While listening to the hon. gentleman's remarks, I could not help but think that if he had done one-tenth as much during the nine years he was in office as he said he had hoped to do or intended to do if he were returned to office, we would not be having insistent demands from hon. gentlemen on the other side for a statement of agricultural policy.

When this government came into power, realizing the then low price of coarse grains and rough feed, we felt that we would soon be in the export market with our bacon. Upon making investigation, one point was evident to hon. gentlemen on both sides of the house —or at least it was evident to the government,—namely the great scarcity of select bacon, the only type that has any opportunity to compete in the old country with the Danish product. In Saskatchewan alone I found that the number of select bacon hogs was only 5·6 per cent; that is, only 5·6 per cent of the pigs slaughtered in Saskatchewan would have any opportunity to go on the world market. That is the condition in which I found the bacon industry for purposes of export. I knew there had to be an emergency measure, and it was an emergency measure when I tried to work out a way that would make it easier for the farmers to get into the production of a select bacon type of pigs. That is why I formulated the "brood sow" policy that some hon. gentlemen opposite have been making a good deal of fun of. In that way we made it easier for the farmers to get into the production of the select bacon type of pigs. Further, this idea was that litters of the select bacon type of brood sows would be sired by boars of the select bacon type, and the information brought to me is that one could not realize how much effect this would be likely to have on the type of pigs obtained from these litters for breeding purposes.

The next point with which I wish to deal is breeding cattle. I think, as perhaps one of the soundest principles of agriculture, whether in live stock or feeding, we should at all times aim to get into our live stock that type of blood that will make the best use of the feed that we give them, whether dairy cattle or beef cattle. It was for that reason I tried to catch up with the policies that had been neglected so much, by introducing the policy that was scoffed at this afternoon, the policy known as the "bull loaning" policy, by which we hope to help the farmers of Canada, especially at this time by loaning them bulls under supervision. This was only doing fairly and honestly as the people of Canada would really wish, because I believe ninety-nine per cent of our people are really intensely interested in this question of the success of agriculture and desire from the bottom of their hearts that agriculture should prosper.

In connection with statements of hon. gentlemen opposite concerning agriculture, people both on this side and on the other have told me not to take these debates too seriously; that hon. gentlemen on the other side who moved and supported this motion were not so much concerned with policies of agriculture; that it was all a political game. I can scarcely believe that. I have sat here day after day watching the faces of hon. gentlemen opposite, farmers from the west, and I cannot help feeling they are very sincere as regards their interest in helping agriculture. I am willing at this point to put it to hon. members; I will ask the hon. gentleman who moved the amendment if he cannot show to the house that he is interested in agriculture and describe the two brood sow policies of the late government when they went out of office. I realize that he will hesitate to interrupt me in my speech. No doubt the hon. gentleman knows those policies, but if he does not, then I would be left to believe that the suggestion that the talk was political rather than agricultural is true. We have other so-called policies and I realize that each of them is not of very great importance in itself for immediate relief. The hon. member for Willow Bunch (Mr. Donnelly) said this afternoon that these things were all right in their way, and I appreciate the kindly reference to them. However, I ask, would they not have been much more right if they had been put into force five years ago, so that now we would be in the position in which we should be?

It has been said that this government has done nothing for agriculture. Laughing reference has been made to the speeches that I

delivered in Toronto and Montreal in connection with the banks not lending money, and especially to the last part of my speech. I did not make those speeches in western Canada to the farmers. I thought the place to make them, the place where the farmers of western Canada would wish me to make them, would be in Toronto and Montreal, and that is where I made them. At the end of my speech in Montreal I said that if credit were not given to the farmers through the banks, some steps would have to be taken to give them credit. The reference has been made that we have heard no more of that. The truth is that in less than ten days from that time, realizing that credit would not be given, I made arrangements to meet the western ministers of agriculture at Winnipeg just for the purpose of doing what I said would have to be done. I met with them and we discussed the problems of the west, seed grain relief, relief to help the farmers to put in grain, and other relief. These ministers agreed it would be better in the interests of carrying out this plan if our part in the contract were not made public, but I can say this, that never before was there a government which realized more clearly than we did the exigencies of the situation of the western farmer due to circumstances over which he had no control, and our offer was commensurate with our appreciation of the situation. Moreover, when it is known, I am sure hon. gentlemen opposite will blush for having discussed this question in the way they have done, although perhaps this is through no fault of their own as they did not know the offer.

In conclusion, because I see I have only five minutes more, no one in the house realizes better than I do that these policies which I have enunciated, are policies that will not result in benefits until some time in the future. No one realizes better than I do that there is carried by the western farmer a load that requires some form of immediate relief, a load that these policies will not immediately alleviate. But that load of mortgages and debts was not created since last August. That is the load that worries me, when I look forward to the future to see these agricultural communities in the west happy and prosperous again, as I would see them.

There is another handicap for which we take no responsibility. In the early days when western Canada was first settled, people came from many countries, including many from the United States, with whole carloads of equipment and were directed to areas that people knew or should have known did not give those farmers a ghost of a chance of making a living there. Why was that done? They were warned about it. Among many others, that veteran rancher Joe Wylie, from Maple Creek, told them they were breaking up over night a sod that took a thousand years to make. That is one of the loads we are carrying in western Canada to-day.

Another load is that of weeds. In this connection I hesitate to make this statement, but I think when we are discussing in this house things on their merits, we are not supposed to mince words and therefore I shall speak plainly. However, before I discuss weeds, it has been advocated that a pork packing plant be established in the west. Few hon. members in the house or in the Dominion have given more thought to that question than I have since last October. I have been in consultation with people who, I thought, might operate it. I have done something to bring representatives of wholesale cooperative houses from the old country to look into the proposition, because I felt nothing like that could be a success unless we had some one here from the old land who knew the taste of the English people in regard to bacon, to manage the plant, etc. We could use their sales machinery. I believed that in this way thousands of dollars would be saved. I have made a study of private plants, of public plants; the whole thing has been gone into very thoroughly. I doubt whether the quantity of bacon this year will be anything like what people some time ago expected it would be, but if hon. gentlemen opposite were anxious for a packing plant, they had plenty of opportunity to build one. Take the Moose Jaw registered seed grain plant at Moose Jaw. There was enough money spent on that to build four seed cleaning plants and then have enough left over to build a packing plant. According to the speech delivered by the provincial treasurer in Saskatchewan the other day, the co-operative creameries that were built there lost the province one million dollars. That was enough to build at least four packing plants in Saskatchewan. If the estimate for the railway hotel in Saskatoon had been cut in two, enough would have been saved to build a packing plant in every province in the Dominion.

One word more and I shall have finished. I think the biggest load that agriculture in Canada, especially in Saskatchewan has to carry, is known to the majority of farmers in this Dominion. When the former Minister of Agriculture was made Minister of Agriculture in the government of Saskatchewan in 1905, he had before him a clean, fertile, virgin field

in that province, and he had coming into that field people who took second place to none. And what has been the result? It is an old saying that there is a record written that he who runs may read; but written along trails leading out of Regina there is a record which those who drive in automobiles travelling sixty miles an hour can read, a record written during the term of office of the former Minister of Agriculture in sow thistle, stinkweed and other weeds of various kinds.

But that is not all. He left the provincial field in 1918 and came into federal politics as Minister of Agriculture in 1921. His work was not yet completed. There was a patch in Saskatchewan that was still not weedy enough, that fertile valley which takes second place to none, that valley which is in the constituency I have the great honour to represent, the Carrot river valley in northern Saskatchewan. It was comparatively clear and clean of weeds of any kind. What happened? The former Minister of the Interior (Mr. Stewart)—I take it that he acted in conjunction with the former Minister of Agriculture—decided that there was a great slough there which should be drained, and they drained it at a cost in the neighbourhood of $186,000—which would have helped considerably in building a packing plant.

An hon. MEMBER: It was the Tories who did that.

Mr. WEIR (Melfort): It was in 1921-1922. The result of it all was this, that some three or four years ago, after they had had people out there making experiments to find out the best thing to grow on that drained land, they rented it out to people who did not utilize the knowledge of the experts, and the result is that to-day we find just across the fence five hundred acres of sow thistle polluting all that fertile valley. The hon. member said the other day that if I had been in Saskatoon when the United Farmers met there, my life would not have been safe. The hon. gentleman's life would not be very safe towards August and September in our part of the country, when I myself for one—and other farmers—have had to hire four men for about two weeks to pick out the sow thistle that came from that area.

In conclusion, may I say that there it stands and will stand as a menace to the north, to spread sow thistle and noxious weeds of various kinds. It stands as a memorial to the lack of agricultural intelligence of two former ministers of the crown. It stands as a record indisputable and undeniable because written by their own hands.

Mr. JOHN VALLANCE (South Battleford): I am reminded to-night, Mr. Speaker, of a great occasion in the city of Regina on the 30th of December last. I think that the impression that was left by the hon. leader of the government (Mr. Bennett) on his audience on the 30th of December last was the impression left in the minds of hon. members to-night after listening to the wails of the hon. Minister of Agriculture (Mr. Weir). The Minister of Agriculture has stated that he was no politician. After listening to his speech I want to pay him this compliment, that he is a much better politician than a minister of agriculture. It took him fifteen minutes to tell the house that he was neither a great politician nor an agriculturist, and that fifteen minutes was wasted because he amply demonstrated beyond a doubt that he had no knowledge of either politics or agriculture. If I were to ask the people of Canada, what is the most outstanding question before the agricultural people of this country to-day, with one voice they would answer: Markets for wheat. Yet the Minister of Agriculture never mentioned that subject. Perhaps his forty minutes was not long enough, but he took seven minutes to deal with matters that were of absolutely no consequence to this country. He tried to castigate a man whose shoes, I say quite frankly, he is not fit to buckle.

Some hon. MEMBERS: Oh, oh.

Mr. VALLANCE: We gave the Minister of Agriculture every possible opportunity to speak, and I crave similar indulgence from hon. gentlemen opposite. In the parliamentary library the Minister of Agriculture will find a book entitled Deep Furrows, written by Hopkins Moorhouse. I commend it to the minister. Does he say that he has it? I hope that he has read it. In that book he will find it stated irrefutably that no man in the last forty years has made a greater contribution to western agriculture than the Hon. W. R. Motherwell.

Some hon. MEMBERS: Oh, oh.

Mr. VALLANCE: I hope, Mr. Speaker, that you will note these interruptions and allow me time for them. I am trying to show the Minister of Agriculture some of the things that he should have said. This book that I have mentioned shows the Hon. Mr. Motherwell, not only as a great agriculturist, but as one of the first who made any effort to organize western agriculturists.

Some hon. MEMBERS: Oh, oh.

Mr. VALLANCE: Oh, oh, yes. He was the father of the old Grain Growers' Association, from which organization sprang every cooperative body that has been developed in western Canada—cooperative creameries, cooperative elevators, even the wheat pool. All these cooperative organizations were possible only because of those first steps in organization that were taken by the Hon. Mr. Motherwell, and it ill becomes the Minister of Agriculture even to attempt to say what he has said to-night of the former Minister of Agriculture. He demonstrated a lack of knowledge in that respect equal only to his lack of knowledge of agriculture generally and even of politics.

I think you will agree, Mr. Speaker, after listening to the debates in this house, and after reading the trade returns, that one of Canada's greatest assets is her wheat crop, and one of her greatest problems the finding of a market for our wheat. I should like to quote a few paragraphs from the speech of the Prime Minister, speaking in reply to the hon. member for Lisgar (Mr. Brown). He said:

> In order that there may be ample opportunity for attack, I think it is desirable that the government should make a statement at once. The hon. member for Lisgar (Mr. Brown) has moved an amendment. That amendment deals with everything with which agriculture has to do, from grain to chickens, and with every phase of these agricultural products from growth to consumption.

He goes on to state that it was about time he made a statement, and there we were absolutely in agreement with him. What was the statement he made? The Minister of Agriculture says that if we knew just what the government had done for agriculture we would blush.

An hon. MEMBER: Blush?

Mr. VALLANCE: Yes, blush, after the attacks we had made upon them. Ever since the house opened, we have been trying to get a statement of agricultural policy from this government. I have before me a long list of requests from about 30,000 farmers of Saskatchewan presented to the Prime Minister when he was in the west. Not one iota of consideration has been given to any of the requests made by those farmers. The Minister of Agriculture says that we would blush if we were told what the government has done. I make the statement that if the Minister of Agriculture or the government had come forward openly and told the people of Canada what they were doing or attempting to do there would have been no need of all the speeches made on this amendment. What is the position in which we find ourselves?

Quoting from the remarks of the Prime Minister as contained at page 1076 of Hansard I find the following:

> I am not going to deal further with agriculture, but one thing more I desire to say. In Woodstock, New Brunswick, I said: "The collective weight of the resources of this country would be put behind agriculture." I ask hon. members to name any government which has saved a situation by deliberate effort as this one has in view of the condition of the wheat market. What would the price of wheat have been in this country had it not been for the action of the government?

I have tried to indicate—

Mr. WOODSWORTH: Mr. Speaker, it is absolutely impossible for any hon. member to hear. When a debate is in progress hon. members ought to have the opportunity of hearing it. For the last five minutes it has been impossible at this end of the chamber to hear anything. I would ask either that steps be taken to ensure the observance of decorum in the house so that hon. members may be able to hear, or that the debate be adjourned until such time as we may have order.

Mr. SPEAKER: I sympathize with the remarks of the hon. member for Winnipeg North Centre (Mr. Woodsworth), but so far as I can observe, decorum is being observed in the chamber.

Mr. WOODSWORTH: Mr. Speaker, I would suggest—

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: I think I have the right to suggest that such steps be taken as will make it possible for hon. members in this chamber to hear. The other day it was stated that we had certain obligations to fulfil. On the other hand we have certain rights, and among them is that we be able to hear what is going on in the chamber.

Mr. SPEAKER: It is true that the acoustic properties of the chamber are not all that might be desired.

Mr. VALLANCE: I was just commencing to read from the remarks of the Prime Minister following those of the hon. member for Lisgar (Mr. Brown). The remarks of the Prime Minister continue as follows:

> Mr. Bennett: I tried to indicate the other day that I think it is very much better that these things should speak for themselves. We put the collective credit of this country behind the wheat market.
>
> Mr. Vallance: It was security only to the banks which you gave, not to the wheat pool at all, or to the farmer. The help was given to the banks.

An hon. Member: It was the banks you saved.

Mr. Bennett: I appeal to you, Mr. Speaker, and through you to the Canadian people, to judge whether anything could better illustrate the line of thought indulged in by some hon. members than the two observations to which we have just listened.

One of those remarks was made by me and another by an hon. member whose name does not appear in Hansard. Then the Prime Minister continues:

Mr. Bennett: Could anything be better calculated to bring—shall I say?—despair on the part of those farmers who are struggling with adversity than this counsel of desperation to which we have been listening?

The Prime Minister used the words "struggling with adversity". Hon. members heard what the Minister of Agriculture said to-night.

The banks have money belonging to their depositors, and they owe it to them. The banks have no right to lend that money upon security which will hazard the deposit. The banks have lent the money to the farmers, to the pool —which was a voluntary organization created by the farmers themselves and not by the country. The banks were called upon to do one of two things; support that market by continuing to advance money; or stop doing so and let wheat drop 40 cents.

Then a question is asked by the hon. member for Weyburn (Mr. Young):

Would wheat have dropped 40 cents if you had not taken the action you did?

The reply of the Prime Minister is as follows:

I cannot say. I can only say that that is the judgment of those well able to express an opinion on the subject.

Mr. Young: That is 40 cents more than it actually did drop.

The Prime Minister was trying to convey the idea that through the assistance extended by this government to the wheat pool in the marketing of the crop the government had saved the price of wheat from dropping as low as 40 cents. I would ask the Prime Minister if the action taken by the government to prevent the price of wheat from dropping, also prevented a similar drop in the Argentine, Russia, the United States and Australia? I ask that question because at no time was the wheat of those countries any lower in price than that of Canada. It would appear that by his action he saved not only the Canadian market but the entire wheat market of the world. If we are to accept his statement we must come to that conclusion.

Now that the Prime Minister has stated his action in connection with the control of wheat prices I am going to ask him and the Minister of Agriculture to use every effort possible to give to the western wheat growers 100 per cent control of their wheat. If the Prime Minister argues that by advancing or guaranteeing moneys to the banks he controlled the price of wheat I am now asking him to consider in a similar way the present demands of the western farmer. In the province of Saskatchewan we were attempting to have 100 per cent control by legislation. I noticed the other day in the press an article stating that in the courts our action had been declared ultra vires. I do not know what the next step will be; I do not know whether there will be an appeal to this government for an enactment which will enable them to have such legislation, or whether they will ask this government once more to create the old wheat board. After listening to and reading the statements of the Prime Minister I cannot see for the life of me why or how the government can refuse to take such action.

At one time we in western Canada had a cooperative organization known as the pool. I was rather grieved this afternoon to read the following from the Globe of May 7:

The pool permits members to suspend contracts and use open markets.

What does that mean? It means that we are back to where we were five or six years ago. Only one thing can save us, and this government and this parliament have the power to put it through. I plead with them to take that action. I go further and say that this government is partly responsible for the defeat of the pool, and I shall proceed to prove it. Because of the position the pool got into and because of the assistance which was tendered by the banks the pool was being dictated to as to its policy by some powers other than those who were the contract signers. When the Prime Minister went to the Imperial conference he took with him some chief advisers. Who were they? He took two professors of economics, one from the university of Saskatchewan, Doctor Swanson, and Doctor MacGibbon, who is a professor of economics and also fills one of the chairs of the Board of Grain Commissioners. He took John I. McFarland. Then there was Mr. Gage, who is now deceased, and Alex. McPhail, who was president of the Saskatchewan wheat pool. As I said, we found that we owed the banks. Probably it was our fault because we believed that in the interests of the producer we should deviate from the old organized grain trade method of marketing whereby for every purchase made to-day they hedged to-morrow to secure the bank for the money advanced on the purchases made to-day. We cooperatives believing that that was not in the interests of

the producer, decided that we were not going to sell futures wheat, hedge our wheat, and that we would give the banks security of 15 cents a bushel. When that margin almost disappeared the government did step in. It looks rather peculiar to me that not long after the Prime Minister and his associates had gone to the Imperial conference, I think about two weeks, we find Mr. McFarland returning to Canada, and shortly afterwards he becomes manager of the central selling agency of the Canadian pools. He took that position on two conditions; first, that he was to receive no salary—being a Scotchman, I suppose he did not want any money; second, that he be given an absolutely free hand regarding the sales policy of the pools. It was quite evident to us who had taken an active part in building up the organization that this was the first body blow to the pools. I would not have been so suspicious had it not happened that the day after the announcement was made that Mr. McFarland had accepted the managership of the selling agency, my genial friend the Minister of Trade and Commerce (Mr. Stevens) came out with the statement that he was pleased to see that the pools of their own free will had decided to give Mr. McFarland a free hand. I question the so-called "free will" because I know the pools. The first thing Mr. McFarland did was to close the overseas agency. What was the result? Let me read a despatch from France, the country that the Prime Minister has been telling us is going to buy large quantities of our wheat. This despatch is dated Paris, March 18, and is written by William H. Ingram, correspondent of the Times-Journal:

> Since the Canadian wheat pool closed its offices in Paris, Canadian wheat is sold only through the grain trade. Millers know perfectly well that the traders are not doing business without a profit. They also know that in many cases the wheat which is offered to them has passed through middlemen who have increased the price a few cents, and this does not tend to please the buyer any more than it has added to the profit of the Canadian farmer.
>
> The French people find it difficult to understand why the Paris office of the Canadian pool has been closed when millers willing to buy Canadian wheat without middlemen were buying it under conditions which suited them. Prices were the same for every kind of buyer --miller, merchant or broker. It was good business without a preferential tariff, buyers knowing that the prices were those quoted daily by Winnipeg.
>
> During the seven years in which the Paris office functioned, there was not a single complaint against quality. Every miller ordering wheat from it was absolutely sure that he received the quality ordered. This was due to the fact that a bill of lading and a dominion certificate were issued with every order from the smallest to the largest. And this was an encouragement to the buyer.
>
> Under existing conditions it may happen that only one bill of lading and one dominion certificate may be issued for, say, 1,000 tons which will be divided into ten lots of 100 tons each, but for which each miller will be unable to get the dominion certificate as proof that it is Canadian wheat which he is receiving. Any omission of that dominion certificate may result in the millers not getting Canadian wheat at all. And that is quite likely what is going to happen.
>
> If information is correct, the same applied to Portugal and Spain.
>
> Portugal has authorized recently the importation of foreign wheat for its own consumption. Representatives from the Soviet, the Danubian countries and the Argentine have been on the spot to bid closely for the quantity allowed. This has resulted in an order for 45,000 tons being given to the Argentine. If Canada had had her representatives there at the time, the chances are that she would have obtained the order or at least a part of it.
>
> As to Italy, it is known that through reciprocal arrangement she is buying this year Soviet wheat in exchange for manufactured goods. It is unfortunate that Canada is losing by this arrangement one of her most important European customers. But as Soviet delivery is far from being satisfactory, it is expected that she may resume her former business relations with the dominion.

In the face of this, and the position that the cooperative organizations find themselves in to-day, and the statement of the Prime Minister the other day when he took credit that because of the fact he had guaranteed the banks against certain losses he was able to stabilize the price of wheat, I demand for the farmers of western Canada that he immediately, by enabling legislation, make it possible to put over 100 per cent control as the farmers first sought, or establish the old Canada wheat board. I think the Minister of Agriculture will agree that that at least is a constructive suggestion to the government. I was rather disappointed that he did not say something about it.

I notice that the Minister of Agriculture referred also to a speech that he himself made in Toronto. The Prime Minister said in this house on April 28th:

> Who is it that says the farmers are unfit for credit and that the country is bankrupt and insolvent? Day after day and week after week hon. gentlemen opposite—

Meaning us.

> —have been saying it; they complain that the farmers cannot get credit.

Now let me quote something that was said, not by any member of the opposition but by the Minister of Agriculture himself. This was long before the session opened; this was on February 4 at Toronto, and I think

the hon. minister must bear some of the responsibility of bringing to the attention of the country the fact that the farmers of the west to-day cannot get credit. If the Prime Minister was right in saying that those conditions did not exist, surely his Minister of Agriculture would not have said what I now present to the house. Let me read this Canadian Press despatch:

"Persons with glib tongues, with hopes of personal publicity," have been responsible for agitation among western farmers, Hon. Robert Weir, Canadian Minister of Agriculture, told a gathering of Canadian agriculturists at a Canadian National exhibition annual dinner to live stock breeders.

These persons, the minister said, had gone around to the farmers exhorting them to prevail upon the government to have wheat "pegged" at $1 a bushel, demand new freight rates and eliminate mortgage interests. Mr. Weir made it clear he in no way referred to the United Farmers.

I think if the Minister of Agriculture had gone to the trouble to read the memorandum that the United Farmers of Canada, Saskatchewan section, presented to the Prime Minister on December 30 last, he would not have had occasion to say that he was not referring to the United Farmers, because everything that was asked for by the "agitators", as he called them, was embodied in that memorandum. He continues:

In spite of this agitation, he declared he found at a recent meeting of his own constituency no trace of dissatisfaction and no complaints. He had warned them they might have to accept extremely low prices for their products, and still there had been no complaints, he said.

Now, this was the point:

Conditions, he admitted, were severe in some cases, particularly concerning credit. It was credit the farmer needed and he was unable to get it. While not criticizing the banks, Mr. Weir said he was unable to understand why these institutions refused to allow money to these people. He would not advocate the loan of money to people without justifiable security, but people who had ample assets in their farms and properties were not able to secure relief in this form and they needed money to carry on.

The Prime Minister conveyed the impression to the house and to the country that the whole controversy regarding the economic position of the western farmer was started by the opposition at the opening of the session. I have just read a Canadian press despatch of a statement made by the Minister of Agriculture on February 4. Probably had he not made that statement many of us would not have really realized just how bad a condition the western farmer was in; but when even the Minister of Agriculture—who was back here in Ottawa, not living through the conditions that we in the west were familiar with every day—had noticed those conditions, surely the Prime Minister will not condemn us for having brought them to the attention of the country and to his attention. We are still looking for relief. It will be remembered how the Prime Minister when out in the west during the elections, used to say to the farmers:

Listen, you agriculturists from the west and all the other parts of Canada, you have been taught to mock at tariffs and applaud free trade. Tell me, when did free trade fight for you? Tell me, when did free trade fight for you? You say tariffs are only for the manufacturers. I will make them fight for you as well. I will use them to blast a way into the markets that have been closed to you.

I ask you, Mr. Speaker, I ask this house, has he demonstrated to the smallest extent that he has obtained for the farmer any greater market than he had before? The one thing the farmer needs above all others is a market; and as was pointed out this afternoon by the hon. member for Willow Bunch (Mr. Donnelly), the action of this government has made it more difficult to obtain that market. In making it more difficult for goods to come into Canada, the Prime Minister has made it that much more difficult for the agriculturist of Canada to sell his surplus produce; because, whether hon. gentlemen opposite believe it or not, we must take payment for our exports by imports. That is the only thing we can do, and every time you restrict the possibility of our shipping out one bushel of wheat by raising the tariff on any commodity which we import, you make it all the more difficult for the farmer of the west to operate. I think the Minister of Agriculture will admit this as a westerner. He will admit it as a westerner and not as a politician or as Minister of Agriculture. As a plain farmer he will agree that that statement is absolutely true.

Mr. MANION: May I ask a question?

Mr. VALLANCE: I will allow the hon. member to ask a question.

Mr. MANION: I thank my hon. friend. I ask this as a fair question. How is it that, in spite of the statement which the hon. member makes, the exports of wheat during the last eight months have been from sixty to seventy million bushels more than they were in the corresponding eight months of the previous year?

Mr. VALLANCE: I will tell my hon. friend the reason. The farmer is selling it; or rather, as the hon. member for Willow Bunch pointed out, he is not selling it but giving it away. After twenty-five years of farming in the west

and marketing many thousands of bushels of wheat; after harvesting last year one of the best crops ever grown in that section of western Canada, the section in which I live; after seeing oats last year running as high as 80, 90 and 100 bushels to the acre, and wheat going from 20 to 45 bushels per acre, and finding the farmers insolvent to-day—after all this experience, I would not dare to tell you, Mr. Speaker, of some of the conditions that prevail among large farmers. And the larger the farmer the harder he was hit. With this statement, again, I think the Minister of Agriculture will agree; because you cannot produce wheat any more economically—perhaps slightly more—by increased production than if you produced only a 20 bushel crop. I say this for the reason that your initial cost is the same—your seed and cultivation, and your operations right up to the moment you start harvesting the crop, although from that point on you decrease your cost because of volume. But so long as you cannot get cost of production, I care not whether it be a cent or ten cents below cost, the more you produce the more you lose. That is the position of the western farmer to-day.

I would urge most seriously upon the government the absolute necessity of taking some definite action. This is not a time for palaver. As I listened to the Minister of Agriculture—I hate to refer to this again but I must—I really did expect that he would deal with these most urgent problems, the most important of which is finding a profitable market for Canadian wheat. The Prime Minister stated that he had, by his efforts, saved wheat from going to 40 cents, and if he is able to save it from going to 40 cents, then I should think that a man of his calibre ought to be able to raise it another 20 cents, even if he has to resort to pegging, as suggested by the organized farmers themselves.

I do not wish to cover old territory, Mr. Speaker. I could point out, as others have done, that we have pegged the price of everything else. But I would repeat that every time you raise the duty on any article coming into Canada you make it so much more difficult for the farmer to find a place for his wheat in the world's market. I do not believe the tariff is sound economically, and the greatest economists to-day are telling us that our most difficult problem lies in the high tariff walls that are dividing the people of the earth. If, therefore, we could remove those walls and have a free exchange of commodities as between country and country, I am sure that the problems with which we are faced at the present time would be largely solved.

It is all very well for the Minister of Agriculture to institute bull, sow and other policies. But they are as old as the hills. The best live stock ever raised on God's earth never resulted from such policies as the minister is advocating. I know, Mr. Speaker, coming from the country across the sea in which I was born, that Canada is not adapted in some sections to some of the enterprises which the minister would force upon the country. Look at the country in which I was brought up, Scotland: they have never had any bull and sow policies or anything of that kind. The country is naturally adapted to the production of live stock. And as the hon. member for Willow Bunch pointed out this afternoon, it is ridiculous to expect the farmers of the west to go into mixed farming. The farmer of western Canada does not wish to go further into debt; what he wants is an opportunity to get out of his present financial difficulties. This five million dollars is just so much piffle; I would not even consider it.

An hon. MEMBER: Oh, oh.

Mr. VALLANCE: I see the hon. member for Saskatoon laughing. I listened with others the other night to what he said, and I read his remarks, and I can assure him that when the people have an opportunity to register their views regarding the actions of this government in this matter they will do so in no uncertain manner.

I would impress upon the Minister of Agriculture that the supreme problem facing agriculture to-day is the finding of a market for our wheat. The hon. gentleman admits, Mr. Speaker, that his is the voice that speaks for agriculture within the cabinet councils of the nation, and there is therefore a great responsibility upon him. And I believe he feels that responsibility. All you need to do is merely to look at the hon. gentleman and you will realize that he is conscious of his responsibility in this matter, and I hope that he is man enough, big enough to rise to the occasion against all the plutocrats sitting around him in the cabinet and stand up for the rights of the farmers of Canada.

Mr. WILLIAM IRVINE (Wetaskiwin): I know the house is just about ready for the question, but seeing that it is the will of parliament that hon. members should vote upon every issue, I do not propose to vote until I have published my reasons for doing so.

I am sorry I cannot enter into the debate with that warmth which was characteristic of the speech made by the Minister of Agriculture (Mr. Weir), or with the heat which evidently was engendered thereby in the

breast of the hon. member who has just taken his seat (Mr. Vallance). I do not see much difference between the debate which is now going on and the one at the conclusion of which we voted a short time ago. Nor do I see much difference between this debate and many others which it has been my pleasure to follow in this House of Commons.

An hon. MEMBER: What is the use of talking then?

Mr. IRVINE: I will tell the hon. gentleman in a few moments what the use of talking is, because I am not going to talk for the sake of a party or in any hope that some day this little group will be on the right of Mr. Speaker. I am going to speak on the issue as I see it, without any frills on either side of it.

Before addressing myself specifically to the amendment moved by the hon. member for Lisgar (Mr. Brown), I wish to make a reference to the speech of the hon. member for North Battleford (Mr. McIntosh). This afternoon the hon. gentleman went a long piece out of his way to make an attack on me because of a speech I made in this house some time ago. He did not attack the speech itself but merely an aside in that speech, which made a reference to secession talk in the west. As some other hon. members have done, he attributed to me the blame for, or the honour, as the case may be, of first introducing that question in the House of Commons this session. I just wish to call the attention of the house and of the Ottawa Journal to the fact that I was not the first to mention that question in the house; the first one to mention it in the house was the hon. member for Regina (Mr. Turnbull). He quoted the ex-premier of Saskatchewan in his reference to the matter. The next hon. member to mention it was the member for South Battleford (Mr. Vallance), who even went so far as to hold aloft that famous "Charter of Liberty" drawn up in the province of Saskatchewan. The next hon. member to refer to the matter was the deputy speaker of the house (Mr. LaVergne). These hon. gentlemen scoffed at the idea but in my reference to it I said only that I thought perhaps the hon. gentlemen did not understand as well as they might the conditions prevailing in the west and that there might be more in the secession talk than was imagined. That remark acted as a match to the powder barrel of the Ottawa Journal and hurt the feelings of my hon. friend to my right who made a reference to it this afternoon. I trust that this will be sufficient to prove to my hon. friend that I was not the first to mention the matter in this house.

I shall now address myself to the amendment moved by the hon. member for Lisgar (Mr. Brown). In doing so I would say in all kindness that the Liberal party is always great in opposition but I am afraid that if they are not careful they will prove themselves to be so great that the country will want to keep them always in that position. The hon. member for Lisgar is one of the most respected members in this house. He is possessed of a matured and balanced judgment, is well informed on all matters pertaining to agriculture and has advanced in this chamber on many occasions very interesting views on agricultural economics. I listened to his speech on his amendment, I have since read it very carefully and I must confess that I agree with a great deal of what he said. I do not think he overstated the case in referring to the conditions prevailing in the west and I stand with him in his earnestness and sincerity to endeavour to find some means of alleviation and in looking forward to some policy to safeguard a return of normal conditions. Nevertheless, when I come to examine his amendment I do not feel so much in keeping with his thoughts. I intend to oppose that amendment, and will give my reasons for so doing.

The amendment does not make a definite, constructive proposal. It was moved as a protest against the speech of the Prime Minister. What I am about to say may not be popular in the west, or in my own riding, because of the fact that the Prime Minister's speech referred to did meet with some resentment. I agree with my hon. friend that that speech will be regarded by the western farmer as indicative of a lack of sympathy, but I believe that when the western farmer understands the relief actually given by this government he will then realize that when the Prime Minister made that speech he knew that conditions in the west were bad indeed.

The suggestion as to markets made in the last paragraph of the amendment is too vague and nebulous to warrant one's voting nonconfidence in a government which has not been in office one year, furthermore, the amendment is unfair to the Minister of Agriculture who has just taken over the responsibilities of office.

The amendment regrets that the administration has failed to implement its promises with respect to agriculture and that it has not announced any policy. I thought that the last election was singularly empty of promises so far as agriculture was concerned. That was one of the objections we had in my riding to the Conservative party; that it

made no promises to agriculture but had made a great many to the other classes. It may be that in the province from which my hon. friend come such promises were made, but so far as the keeping of promises is concerned, we feel that we can deal with the government on that score at the proper time. I do not think it is fair inside of one year to expect the government to have made a very definite impression upon the economic conditions prevailing in Canada.

Speaking of agriculture specifically, I think the hon. Minister of Agriculture put his finger on the point when he referred to the fact that the conditions from which agriculture is suffering were not developed during the last nine months but had been developing during the last nine years. I do not blame the previous government for having developed these conditions because there are many reasons apart from anything the past government could have done to account for the present state of western agriculture, and in all fairness we must admit that present day conditions have not been brought about by the advent of the present administration. As to a policy not having been announced, I think the Prime Minister stated in one of his speeches that the Minister of Agriculture would announce his policy when he brought down his estimates. I am quite prepared to give the Minister of Agriculture and the government at least one year in which to deal with agriculture and other matters of importance in Canada. I do not know what they intend to do; I do not know that we will be any better off next year than we are this year, but I owe it to my own sense of fairness to give the government that opportunity. If my hon. friend is still of the same opinion next year—he probably will be even though the government may have done something by that time—I will then stand with him in criticism of the government if it has failed to take advantage of its opportunity to do something.

The amendment next refers to the policies of the administration restricting rather than expanding trade. I am at a loss to understand just what the hon. gentleman means by this, because in the first clause he denounces the government for not having a policy and in the next clause complains that the policy of the government is a restriction of trade. It may be that he had the belief that the general policy of the government restricted trade and no policy has been announced for agriculture. If that were the hon. gentleman's belief then the clauses would have some meaning, but if he referred in both cases to a general policy, then there would be a direct contradiction.

The amendment then goes on to state that without the development of international trade Canadian agriculture will become increasingly paralyzed. In this regard I refer to the statement made by the previous speaker (Mr. Vallance) in answer to a question asked by the hon. Minister of Railways (Mr. Manion). The hon. minister asked the question: How is it that more wheat is being sold this year than last, to which the hon. member for South Battleford replied that it was being given away this year. I agree with him in his answer, but it was given away last year as well and in that respect he was unfair. Wheat is being sold this year at the world price just as it was sold last year on that basis, therefore both this government and the last government are in exactly the same position in relation to the price of wheat.

The amendment states that any policy brought forward with respect to agriculture should include emergency measures to meet the present crisis. According to the statement just made by the Minister of Agriculture, an emergency policy has been in force for some time. I understand that he went to Winnipeg in January last; that he met there representatives of the western provinces; that an agreement or arrangement was made which was satisfactory to the premiers of the western provinces in respect to certain relief, and that for some good reason on the part of the western provinces, the actual conditions of the agreement, so far as they had to do with the federal government, were not made public; so that would appear to settle the emergency part of the resolution with which we are dealing.

Finally, the suggestion is that adequate provision should be made for the processing of meats and the marketing of live stock, wheat, dairy, and all other agriculture products. That, of course, should be done, but I have not heard any hon. member, nor have I heard any one outside of the house, put forward a single proposal that would be calculated to bring a cent more for wheat than we are now getting. If the hon. member who moved this amendment will put forward a concrete proposal that will give even a promise of a penny more a bushel, I shall vote for it, but so far in all the speeches that have been delivered in the house this session, I have not heard a proposal that would raise the price of wheat or pork or eggs or butter or any other commodity. Indeed, this par-

liament would have great difficulty in altering materially the price of any one of these commodities. I think hon. gentlemen who expect, that or talk as if they expected it, know better. They know that our present system and the conditions under which we are living and operating are such that laws not passed by parliament, but laws of economic significance, determine the price of all these commodities, and that no proposal which could be made by parliament, so far as I am aware, apart from actually bonusing wheat or pegging the price, would produce the result that we desire. The government has stated very emphatically that it will not peg the price of wheat, and I am not sure that I want it to do so. I question very much the economic sense of such a proposition and I have done so ever since it was first made. I have expressed my opinion in that regard in other places than in this chamber.

But with regard to relief for farmers, the government can take action, and as regards the debt which is on the back of the farmers, which did not come last year, but which has been accumulating and accumulating for a generation due to a bad policy of finance which has been adopted by all governments and due to unrestricted interest rates and other things from which agriculture has been suffering, that burden of debt might be relieved by some arrangement which the government might make. It might be possible to fix the interest at a lower rate or to get the mortgage companies to think reasonable in regard to the situation and to cancel the interest for last year and the year before so as to give the farmers an opportunity to come back when conditions improve. The government maybe could not do that by law, but they might be able to do it by consultation and advice. Apart from that I do not believe any suggestion has been made that would guarantee to the farmers even a hope of getting a higher price for wheat.

While that is so, we have here a motion of no confidence moved against a government that is really sitting now in its first session, because it has not raised the price of wheat or found a better market for wheat or other things. I assure you, Mr. Speaker, that I am very anxious to find a better market for the western farmers; I am very anxious to see them get more for their wheat, and I say again if any hon. gentleman on this or the other side of the house will put forward an idea that will give a hope of doing that, I shall readily vote for it, no matter what party he belongs to. But in the first session of a government that has not been in power one year, to move a vote of no confidence in them for not getting a better market and to do this without making a suggestion of how such an objective could be attained, does not appeal to my reason. I may be wrong in that, and I may be censured for the speech which I am now making. Very well, let the censure come. I am not going to curb my intelligence for fear of censure from anybody, and I say that is not my understanding of playing even the party game. It is censuring the government for not doing that which was an impossibility in the time allotted to it.

I turn to the speech of the hon. member for Lisgar to make sure that in the summary I have given of the amendment I have not misinterpreted his ideas. He says in one part of his speech that there are one or two things to which he intends to refer, that might be considered as being of a more constructive nature. I want to mention these things of a more constructive nature in order that I may be perfectly fair to my hon. friend and also fair to myself, because if we were to read these constructive things into his motion, I would have to judge as to whether or not I would be warranted in voting for his amendment considered in the light of his remarks made in the discussion of it.

With regard to these constructive suggestions, the first is a protest that a certain Mr. Wilson was to be withdrawn from Great Britain as our agricultural representative. That does not impress me as being a constructive economic policy. I cannot conceive that the price of wheat or the market for wheat would be very materially altered by keeping either Mr. Wilson or any other gentleman where he is, although I have no doubt the gentleman referred to is doing good service. But, as it happens, my hon. friend was immediately assured by the Prime Minister that the vote in this respect was larger than last year and that the office referred to would be continued, so that that constructive idea may be set aside.

The next constructive idea is the reduction of internal freight rates. This, of course, is not a new question. There is a real problem to be solved by some government in regard to internal freight rates, but I cannot help saying that that has not developed since this government was elected. That question is not one year old; it has been a Canadian problem for a long time, and I am amazed that my hon. friend did not move this during the last session of the last parliament; that he did not use his influence when the party to which he belongs was in power; that he did

not during the last five, six, or seven years make a plea that this be corrected. But why we should move it now as a vote of no confidence in a government that has been in power nine months, when other governments might have fixed it a generation ago, I am not clear, neither do I regard this suggestion as being particularly constructive. I am informed by some hon. gentlemen who pretend to know law, that the question is scarcely one for parliament at all; that at least it is doubtful whether it is, and that there exists machinery which has been set up for the purpose of regulating these freight rates and which should be set in motion to correct the grievance referred to by my hon. friend.

The last constructive suggestion is the consideration of the meat problem, a suggestion which was made first in the house so far as I know, by the hon. member for Red Deer (Mr. Speakman), that the government should take action in certain experimental ways in regard to packing and the live stock business generally. I understand the government, as the Minister of Agriculture has just said, have been working towards this end and that they intend to take action on that very point; but again my hon. friend, as the Prime Minister pointed out, should have considered this for the last eight years. We have it from his own lips that just a few years ago he was knocking his own pigs on the head, or should have done so, because they were a dead loss. They would be, of course, if he knocked them on the head. But even then my hon. friend said nothing about the packing plants. He moved no vote of censure of the government then in power for not taking action, and that government was in power for many years, during which they could have been censured. I know that to reiterate this is the old political game. I do not want to play it, but I am trying to be fair to this administration. I will frankly say that I would rather enjoy voting the government out of office, if we could do it, upon an issue that mattered; but I do not think that the issue before us is a fair one.

I come to the last reason mentioned by me for refusing to vote for the amendment, and that is that I think it is unfair to the Minister of Agriculture. Personally, so far as I am concerned, I want to give him a chance. That is what he was elected for. The people of Canada decided that about nine months ago, and I do not know that they have changed their minds in the meantime. Though I have no doubt that they will some time, I have no authority to say that they have done so as yet. So I say that in all fairness the amendment should not have been moved at this time.

As I have already said, if next year the Minister of Agriculture shall have proved himself a failure, if there is evidence that the action or inaction of the government in regard to agriculture has been detrimental to the economic life of the country or that any policy which the government has advanced has been injurious to Canadian trade or detrimental in any other way, then I shall speak against the government perhaps with a great deal more enthusiasm than I am now speaking for it. I am not asking any favours of the government or of anybody else. I am simply trying to face this issue as squarely as I can. I frankly state, Mr. Speaker, that if I could have sat in my seat while this vote was going on without creating an uproar I would have done so, because while I am not going to vote for the amendment, I am not particularly enthusiastic about supporting the government; but since I have been compelled, practically, by the sentiment of this assembly, to register my vote either yes or no, I feel bound to say why I go over the line a little bit to say no with respect to this particular amendment.

In conclusion, in view of the universal depression to which every member who has spoken has made reference and recognizing that this depression has its roots in causes that extend far back, and which have produced results over a period of years; in view also of the nature of the policies to be evolved to meet the situation, which necessarily require time, I think it is not fair to censure the Minister of Agriculture before he has been given a chance to act. I frankly say that I have great confidence in him personally. I believe that he has only one object, and until I find it otherwise I shall continue to believe that. I believe that his one object is to devote himself to the Department of Agriculture, to relieve the present situation, so far as it is within the power of the government to do so and to evolve policies which, taking the long view, it is thought will be to the advantage of agriculture in the future.

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

YEAS

Messrs:

Beaubien,	Butcher,
Bertrand,	Casgrain,
Blair,	Cayley,
Bothwell,	Denis,
Boucher,	Deslauriers,
Bradette,	Desrochers,
Brasset,	Dubois,
Brown,	Duff,
Buckley,	Dupuis,

Euler,
Factor,
Fafard,
Fontaine,
Fournier,
Fraser (Northumberland, O),
Girouard,
Gray,
Hall,
Hanbury,
Hanson (Skeena),
Hepburn,
Howden,
Jacobs,
King, Mackenzie,
Lacroix,
Lapointe,
MacInnis,
Mackenzie (Vancouver Centre),
MacLean,
McIntosh,
McKenzie (Assiniboia),
McMillan (Huron South),
Motherwell,
Munn,
Parent,
Power,
Raymond,
Reid,
Rhéaume,
Robitaille,
St-Père,
Sanderson,
Seguin,
Stewart (Edmonton West),
Taylor,
Thauvette,
Totzke,
Vallance,
Verville,
Weir (Macdonald),
Woodsworth,
Young.—61.

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Arthurs,
Baker,
Barber,
Baribeau,
Belec,
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Beynon,
Bowen,
Bowman,
Boyes,
Burns,
Bury,
Campbell,
Chaplin,
Charters,
Cowan (Long Lake),
Dickie,
Dorion,
Duguay,
Duranleau,
Embury,
Ernst,
Esling,
Fortin,
Fraser (Cariboo),
Gardiner,
Gobeil,
Gordon,
Guthrie,
Harris,
Hay,
Irvine,
Jones,
Kennedy (Peace River),
Kennedy (Winnipeg South Centre),
Laflèche,
Larue,
Laurin,
LaVergne,
Lawson,
Loucks,
Lucas,
Luchkovich,
Macdonald (Kings),
Macdougall,
MacMillan (Saskatoon),
MacNicol,
McDade,
McGibbon,
McGregor,
McLure,
Maloney,
Manion,
Moore (Chateauguay-Huntingdon),
Morand,
Mullins,
Murphy,
Myers,
Nicholson,
Peck,
Perley (Qu'Appelle),
Pickel,
Plunkett,
Porteous,
Price,
Quinn,
Robinson,
Rogers,
Rowe,
Ryerson,
Sauvé,
Senn,
Shaver,
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smith (Cumberland),
Smoke,
Spankie,
Speakman,
Spence,
Spencer,
Spotton,
Sproule,
Stanley,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sullivan,
Sutherland,
Swanston,
Thompson (Simcoe East),
Thompson (Lanark),
Tummon,
Weese,
Weir (Melfort),
White (Mount Royal),
Willis,
Wilson,
Wright.—107.

PAIRS

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

Messrs:

Beaubier,	Ahearn,
Bell (Hamilton),	Mercier (St. Henri),
Black (Halifax),	Dubuc,
Cahan,	Rinfret,
Cantley,	Cardin,
Casselman,	Howard,
Cotnam,	Hurtubise,
Cowan (Port Arthur),	Ilsley,
Dupré,	Ferland,
Edwards,	Elliott,
Gagnon,	Boulanger,
Garland (Carleton),	Goulet,
Geary,	Mercier (Laurier-Outremont),
Gott,	Rutherford,
Hackett,	Perras,
Hanson (York-Sunbury),	Veniot,
Johnstone,	Donnelly,
Lennox,	Pouliot,
MacDonald (Cape Breton),	Urquhart,
MacLaren,	Fiset, Sir Eugène,
Matthews,	Moore (Ontario),
Perley, Sir George,	Marcil,
Pettit,	Bouchard,
Rhodes,	Ralston,
Ross,	Roberge,
Ryckman,	Chevrier,
Stevens,	Malcolm,
Short,	Heenan,
Tétrault,	Dumaine,
Turnbull,	McPhee,
White (London),	Gershaw.

Mr. RINFRET: I was paired with the hon. member for St. Lawrence-St. George (Mr. Cahan). Had I voted, I would have voted for the amendment.

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

Mr. GERSHAW: I was paired with the hon. member for London (Mr. White). Had I voted, I would have voted for the amendment.

Mr. SPEAKER: If hon. members are going to follow the time-honoured custom of announcing pairs and stating how they would have voted, it should be done in a orderly way.

Mr. SIMPSON (Algoma): Mr. Speaker, the whips have a record of all hon. members who are paired.

Mr. SPEAKER: Nevertheless, under the rules hon. members have the right to declare how they would have voted had they not been paired.

Mr. GARDINER: Mr. Speaker, will you please quote that rule to which you have just referred, to the effect that hon. members have the right to declare how they would have voted? I do not know of any such rule in the book of rules.

An hon. MEMBER: It is a matter of custom.

Mr. SPEAKER: The practice of the house should be followed if hon. members wish to announce how they would have voted.

Mr. MacLAREN: I was paired with the hon. member for Rimouski (Sir Eugene Fiset). Had I voted, I would have voted against the amendment.

Mr. STEVENS: I was paired with the hon. member for North Bruce (Mr. Malcolm). Had I voted, I would have voted against the amendment.

Mr. BLACK (Halifax): I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted, I would have voted against the amendment.

Mr. MacDONALD (Cape Breton South): I was paired with the hon. member for Colchester (Mr. Urquhart). Had I voted, I would have voted against the amendment.

Mr. CANTLEY: I was paired with the hon. member for Richelieu (Mr. Cardin). Had I voted, I would have voted against the amendment.

Sir GEORGE PERLEY: I was paired with the hon. member for Bonaventure (Mr. Marcil). Had I voted, I would have voted against the amendment.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted I would have voted against the amendment.

Mr. DUPRE: I was paired with the hon. member for Joliette (Mr. Ferland). Had I voted, I would have voted against the amendment.

Mr. SHORT: I was paired with the hon. member for Kenora-Rainy River (Mr. Heenan). Had I voted, I would have voted against the amendment.

[Mr. Speaker.]

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted, I would have voted against the amendment.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted I would have voted against the amendment.

Mr. TETRAULT: I was paired with the hon. member for Bagot (Mr. Dumaine). Had I voted I would have voted against the amendment.

Mr. BOUCHARD: I was paired with the hon. member for Welland (Mr. Pettit). Had I voted I would have voted for the amendment.

Mr. ROBERGE: I was paired with the hon. member for Kingston City (Mr. Ross). Had I voted I would have voted for the amendment.

Mr. HURTUBISE: I was paired with the hon. member for North Renfrew (Mr. Cotnam). Had I voted I would have voted for the amendment.

Mr. HACKETT: I was paired with the hon. member for Wright (Mr. Perras). Had I voted I would have voted against the amendment.

Mr. COWAN (Port Arthur-Thunder Bay): I was paired with the hon. member for Hants-Kings (Mr. Ilsley). Had I voted I would have voted against the amendment.

Mr. BEAUBIER: I was paired with the hon. member for Ottawa (Mr. Ahearn). Had I voted I would have voted against the amendment.

Mr. MATTHEWS: I was paired with the hon. member for Ontario (Mr. Moore). Had I voted I would have voted against the amendment.

Mr. BOULANGER (Translation): I was paired with the hon. member for Dorchester (Mr. Gagnon). Had I voted I would have voted for the amendment.

Motion (Mr. Bennett) agreed to.

SUPPLY

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

Mr. BENNETT: Mr. Chairman, by consent of the house I purpose to take an item in the Department of Trade and Commerce anl also an item in the Department of External Affairs. The hon. member for Vegre-

ville (Mr. Luchkovich) intimated his desire to speak to-morrow when the Geneva item is called upon the question of the rights of minorities in Poland. As the council of the league meets at an early date the hon. member should be afforded that facility if at all possible. If the house consents we will take a single item in the Department of Trade and Commerce, and then an item in the Department of External Affairs. From that point we will proceed with items in the Department of Public Works.

Mr. MACKENZIE KING: I can see no objection to expediting matters by taking an item in any single department, but to take two departments is perhaps going a little farther than is usual.

Mr. BENNETT: The right hon. gentleman is quite correct. I remember that last year the estimates for the Department of External Affairs were put through very expeditiously, and my reason for suggesting consideration of the items in that department was to afford the hon. member for Vegreville an opportunity to speak, as the meeting of the council will be held at an early date.

Mr. MACKENZIE KING: If I understand the Prime Minister correctly, he does not intend to take up different items in the department, but rather to consider at this time only one item?

Mr. BENNETT: Yes. We shall go on with the Department of Trade and Commerce, taking an item at this time so that it may come before the house to-morrow, thereby affording the hon. member an opportunity to speak.

DEPARTMENT OF TRADE AND COMMERCE

Trade and Commerce—salaries, $633,765; contingencies, $40,000.

Mr. LAPOINTE: Will the minister explain the increase in this estimate?

Hon. H. H. STEVENS (Minister of Trade and Commerce): There is a very slight increase in this item. If it is so desired I will give to the committee the details. The vote provides for the dropping of four employees and the appointment of twelve others. Of the twelve, several are promotions or alterations in the staff. The secretary to the executive is a promotion. Then there is a clerk, grade 3, in the office of the minister. That simply means that due to pressure of work there will be an additional stenographer. There is provision for a typist, grade 2. This is a temporary position made permanent in the publicity branch. For several years there has been a typist in that branch and this provides for a continuance at the same salary of a permanent employee, instead of carrying such employee temporarily. There is the appointment of a qualified stationary engineer in connection with the motion picture bureau. This appointment is made necessary in order to comply with the laws of the province of Ontario. There is provision for two stenographers in the commercial intelligence branch. Again it is simply a question of pressure of work, and a need for additional assistance. In the Bureau of Statistics the chief item is the appointment of two senior statisticians in the educational division and in the industrial census division. I may say that in the census we are rather elaborating industrial and unemployment questions and so forth, making necessary the appointment of these two additional senior officers. There is also a head clerk in the agricultural division of the Bureau of Statistics, a principal clerk in the forestry division, and one stenographer in grade 2. That completes the list of new appointments. There are, of course, some statutory increases to the staff.

Mr. MACKENZIE KING: In connection with these additional appointments, was an effort made to secure some of the staff who are being retired from the Department of the Interior or other departments, for example, stenographers? The minister also referred to the appointment of a clerk in the forestry branch.

Mr. STEVENS: The instructions are that that practice be followed as far as possible. I think in three instances that would not be possible, the stationary engineer and the two senior statisticians. I am not sure whether they could be provided from the sources mentioned, but I will make inquiry.

Mr. STEWART (Edmonton): I think my hon. friend will find that he could get them from the Department of the Interior.

Mr. STEVENS: It is quite possible. We shall be guided very largely by Mr. Coats, the head of the bureau, whose work my right hon. friend knows very well, and whose advice necessarily must be fairly closely followed.

Mr. MACKENZIE KING: The appointments have not yet been made?

Mr. STEVENS: No.

Item agreed to.

EXTERNAL AFFAIRS

Civil government—External Affairs—salaries, $105,940; contingencies, $66,000.

Right Hon. R. B. BENNETT (Secretary of State for External Affairs): There is no change in this item either as to staff or amount involved, except the statutory increases.

Item agreed to.

Mr. BENNETT: It is understood that the next item of External Affairs to be called, if the committee please, will be the League of Nations, Geneva, on which the hon. member for Vegreville wishes to make some observations.

Mr. MACKENZIE KING: Does my right hon. friend intend to go on with External Affairs to-morrow?

Mr. BENNETT: Whatever my right hon. friend wishes.

Mr. MACKENZIE KING: I should prefer it were left over until next week.

Mr. BENNETT: Then that will be the only item in External Affairs to be taken up to-morrow, the item dealing with the League of Nations.

PUBLIC WORKS

Public works—harbours and rivers—New Brunswick, $450,000.

Mr. VENIOT: Mr. Chairman, when the New Brunswick items were before the committee last, it was understood that while they were adopted in general I would have the privilege when they were brought up again to deal with certain matters in respect to which I had asked the production of correspondence. I drew the attention of the Minister of Public Works (Mr. Stewart), after this correspondence had been tabled, to the fact that some of it was lacking. The next day he was kind enough to produce what was supposed to be all the correspondence and documents in connection with the undertaking. Now, I am not going to try to prevent the adoption of these items because of the fact that, notwithstanding a second attempt has been made to produce the correspondence and documents, the file is still incomplete. There is nothing on the file produced to show the details of the account rendered for the services of the legal representative of the Department of Justice. The Minister of Public Works can well say that that correspondence is in the Department of Justice, but when a member asks for all the correspondence it is the duty of each department having to do with the matter to produce that correspondence. I refer to this more for the purpose of reminding the committee that a great deal of dissatisfaction was expressed by my hon. friends opposite during the last session of parliament in 1930, because of some of the files then produced by myself as Postmaster General not being complete, it being insinuated that those files had been rendered incomplete for a certain purpose. Although I attempted to justify myself on that occasion by showing that the incomplete part of the file was the part which was handled by the Civil Service Commission, still hon. members opposite insisted that the items in my department should not pass until the entire file was produced. While I am anxious, Mr. Chairman, to see the account as rendered by the representative of the Department of Justice, I do not intend at this moment to insist any further upon its production, but to ask the Minister of Public Works if he will be kind enough to see that the Justice department produce to him a detailed statement of that account and allow me to have a copy.

I wish to direct the attention of the committee to the proposed construction of a wharf at Little Shippigan, Gloucester county. I do not wish to delay the passage of these items, but I ask for the production of that account because I understand from the correspondence which is here that a cheque for fifty dollars was issued for the service of the gentleman in question. I understand that, on the production of deeds, two cheques were issued for land appropriated by the department for the construction of this wharf. These cheques were issued to two gentlemen, a Mr. Brown and a Mr. Brune; one for twenty dollars to Mr. Brune and the other, for fifty dollars, to Mr. Brown. I understand that these cheques were issued jointly, the first to Mr. Brown and Mr. A. M. Robichaud, the solicitor, and the second to Mr. Brune and Mr. Robichaud, the solicitor. I want to know why these cheques were issued jointly to the solicitor of the Department of Justice and the owner of the land. It may be the practice; I do not know. If it is the practice, I have no fault to find. But I wish to see the detailed statement of this account. And I wish, further, to protest against an expenditure of fifty dollars for obtaining land worth seventy.

While I am on the question of the proposed construction of a wharf at Little Shippigan, I see by the correspondence that on August 21, 1930, the Minister of Public Works recommended to council that the tender of C. L. Comeau be accepted; and he further recommended that an amount of $16,000 additional be placed in the estimates this year for the termination of that work

and to complete the contract. The tender, I believe, was in the vicinity of $26,000. Last year we voted $10,000 knowing that it would cost betwen $26,000 and $30,000, and that $10,000 was voted for the purpose of calling for tenders to have the work proceeded with. The minister recommended on August 21 that the tender of Mr. Comeau should be accepted and afterwards the recommendation was withdrawn; at least, it was not accepted by council. I should like the minister to explain this. He does attempt to give an explanation at page 16 of the correspondence submitted. In a letter to the reverend father in charge of the parish of Little Shippigan he states, at page 16 of the correspondence:

> In view of the falling revenues of the government and the increased expenditures, including a special vote of $20,000,000 passed at the recent session of parliament for the relief of unemployment, it has been deemed inadvisable in the public interest to proceed with this work at the present time.

With reference to that $20,000,000, we had a statement from the Prime Minister in September as to why this money could be used for such purposes; and to my mind this letter of November 13, 1930, in which the statement is made that in view of the falling revenues and the voting of this $20,000,000, it was considered inexpedient to go on with the work, is not a sufficient excuse. The minister at that time was in possession of information which he had a perfect right to accept as well founded, coming as it did from the parish priest of that district, and in view of a conversation with myself in regard to the unemployment situation at that particular point. And if the $20,000 000 voted by parliament could not have been expended in that way, then I claim that the work could have been proceeded with under that vote for the relief of unemployment in the district.

That district is perhaps one of the hardest hit of any section in Canada so far as unemployment is concerned. The people living on Miscou island are not an agricultural class; the island is not fitted for agriculture. They raise some very small crops, it is true, potatoes and hay. But they are fishermen; they earn their living by fishing. Last fall, however, fishing failed and these people were practically on the verge of starvation. That was represented to the minister and he had every reason to believe that the representations were correct. Yet in the face of that, refusal was given to relieve the situation as it existed at that time.

Leaving aside altogether for the moment the question of unemployment relief in that section, and coming down to the real merits of the case, I wish to say to the minister that there is no section of the maritime provinces where the construction of a work of that kind is so necessary. These are hardy fishermen who risk their lives every day, and they have been asking for some time past for this construction. They have asked for it under previous Conservative governments; they have asked for it under previous Liberal governments; and it was only last year that I was enabled in their behalf to have this amount placed in the estimates to give them the needed protection. And there is no doubt about it that it is absolutely needed. Under the circumstances I would appeal once more to the Minister of Public Works and, as well, to the Prime Minister in his capacity as Minister of Finance; because I realize, from my experience in council, that after all the Minister of Finance has a great deal to say in matters of this kind. I appeal to both of these hon. gentlemen to see that something is placed in the supplementary estimates in order that this work may be carried on.

A tender has been received, if I mistake not, five or six thousand dollars under the estimate placed upon the work by the engineers; and, even under present circumstances, if the contract were offered to-day to the person who tendered at that time at the figure he gave, I believe, although I have no authority to speak in his behalf, that he would accept the contract at that figure.

If the vote is placed in the supplementary estimates this year it will serve two purposes. There is still unemployment in that district, and these people will not succeed in their fishing very much better this year than last year. The money would therefore relieve the situation in that section of the country. The people there are isolated; they are living on an island far from the mainland. They have no communication except by water, and with the freezing up of the bay they are unable, for four or five weeks in the fall and three or four weeks in the spring, to communicate with the mainland at all except by telephone. This work would relieve unemployment in this district because the contractor could begin work towards the fall of the year at the very time when it is necessary to provide relief. I do not desire to take up too much time of the committee, but let me appeal once more to the Minister of Public Works and to the Minister of Finance and direct their attention to the absolute necessity of the carrying on of this work.

Hon. H. A. STEWART (Minister of Public Works): Mr. Chairman, in reply to the

member for Gloucester let me deal very briefly with the points he raised. First, with regard to the production of correspondence. My hon. friend will notice that the correspondence brought down included everything except a private letter. When I looked at that letter I saw there was no reason why it should not be brought down and I asked the writer for his permission to produce it. So that in my desire to meet my hon. friend's request I brought down even a private letter which I might have been justified in refusing to lay on the table.

Mr. VENIOT: Not if the minister acted upon the letter. The rule is that if action is taken on a letter marked "private" it cannot be considered as a private communication.

Mr. STEWART (Leeds): I did not act upon it except to make a reply, and surely that is not sufficient action to force a minister to bring down his private correspondence. However, I had nothing to conceal, and in order to convince my hon. friend of that fact I brought the letter down. I was unaware of the existence of the other documents from the Department of Justice, but again, in my desire to meet the wishes of my hon. friend, I asked that department for the correspondence and brought it down.

Mr. VENIOT: Not all of it. There is some of it still missing.

Mr. STEWART (Leeds): As far as I know it has all been brought down.

Mr. VENIOT: It has not all been brought down.

Mr. STEWART (Leeds): The correspondence is all there, but my friend wants an account. I do not know whether any such account exists, because once a matter is turned over to the Department of Justice that department deals with the matter of compensation to their agent. However, I will make inquiry, and I assure my hon. friend that if there is any such account I will secure a copy of it for his information.

Mr. VENIOT: Thank you, that is all I want.

Mr. STEWART (Leeds): With regard to his suggestion that the cheques issued for two small parcels of land should not have been made payable to the agent of the Department of Justice and to the owner of the land, I may say that that is the regular procedure.

Mr. VENIOT: I said it was the practice.

[Mr. H. A. Stewart.]

Mr. STEWART (Leeds): The reason is quite evident; until the agent is satisfied that everything has been furnished he has control of the cheques. I know nothing regarding the charges, because they are settled and taxed by the Department of Justice. Let me suggest in all sincerity to my hon. friend that this agent dealt with the title to the two parcels of land. It is true that the consideration for the transfer of these two parcels is small, and although he has correctly stated the amount, I think on reflection he will agree with me that very often there is just as much work involved in searching the title of a small parcel of land as there is in searching the title of even a hundred or a thousand acres as long as the title comes down through the one chain. In this case there were two parcels the titles of which had to be searched. As I have said, the Department of Justice deals with these matters, and I will obtain the information from that source. As to why this work was not proceeded with, I think the correspondence discloses the reasons. I cannot go any further than that.

I know my hon. friend is very much interested in the work at Little Shippigan. During the short session he spoke to me about this matter and impressed upon me the importance and desirability of proceeding with the work. We were faced with the fact that an appropriation of $10,000 had been made, with a considerably larger expenditure being involved. The conclusion arrived at was that we were not in a position to do this work this year in view of the larger amount involved. I would point out to my hon. friend that a very large work is being proceeded with in his constituency at Tracadie. The department was of the opinion that this construction would afford the greatest measure of relief for unemployment, and therefore selected that work as the one which we would prosecute. The expenditure involved will amount to about $160,000 more, but notwithstanding that it was thought that as the work could be carried on continuously it would afford the greatest measure of relief.

With reference to my hon. friend's last request, that consideration be given to this matter in the supplementary estimates, all I can say is that I shall certainly give it consideration and I hope we will both live long enough to see this work completed at Little Shippigan.

Mr. VENIOT: Mr. Chairman, I have very little more to say in regard to this matter, but I do not like to hear the minister give as a reason for delaying the work—I hope it is only delayed—the fact that considerable

work was being carried on at Tracadie harbour. This work was commenced in 1929 when some three or four thousands dollars was expended in protecting the beach to which the channel is to be dredged. The dredge boat went in during the fall of 1929 and worked all last summer. This work has been under contemplation for some four or five years and while I am pleased to see an item to complete it I cannot accept that as sufficient reason for not going on with the work at Little Shippigan. Other works in Gloucester county which were absolutely necessary were thrown out. There was the Little Shippigan work; there was the extension on the Young wharf for which tenders were called for and held up for quite a long time before it was decided not to continue with the work; there was the dredging at St. Simon which was included in the program of $650,000 voted last year for dredging generally in the maritime provinces; there was the dredging at Lower Caraquet which was absolutely necessary and which was included in the general program; there was the dredging of the upper channel leading to Shippigan gully through which 250 or 350 fishing vessels pass twice a week, and there was the dredging in the inner channel of the gully in Shippigan harbour, which was to be straightened out, as well as the removal of the sandbanks outside and inside of the gully. These items which have been thrown aside, if gone on with, would have considerably relieved unemployment in that section of the county, and I feel that an injustice has been done to the county which I have the honour to represent. I may be wrong; I do not desire to impute any motive to the minister or to the government, but I think they perhaps sought the information in wrong places and decided upon information which, to my mind, was not correct. The minister, however, has stated that he will consider the request I made.

There is one item in regard to which I should like to have a little explanation. I think there is an item of $491.84 in the expenditure on that wharf. Would the minister please tell me what that includes? The work has not been carried on, and I should like to know what brought about this expenditure of $491.84.

Mr. STEWART (Leeds): I am informed by the chief engineer that honest and sincere efforts were made last year to have several of these items of dredging which he has mentioned done, but they were unable to secure anybody willing to undertake the work.

Mr. VENIOT: No tenders were called for the $10,000 work at Lameque basin.

Mr. STEWART (Leeds): Yes there were.

Mr. VENIOT: Public tenders?

Mr. STEWART (Leeds): I am informed there were.

Mr. VENIOT: Where were they advertised?

Mr. STEWART (Leeds): They were advertised and no tenders were received.

Mr. VENIOT: I would like to know where they were advertised.

Mr. STEWART (Leeds): I shall be glad to furnish that information. The chief engineer informs me that all reasonable efforts were made to have that dredging done. That is all I can say with regard to that. As regards the expenditure, we have not particulars of that here, as no item covering the same work to which my hon. friend refers is involved in our estimates this year. I can, however, get that information for him.

Mr. VENIOT: That is satisfactory.

Item agreed to.

Progress reported.

BUSINESS OF THE HOUSE

EFFECT OF SUSPENSION OF STANDING ORDER 28 FOR THURSDAY, MAY 7

Mr. MACKENZIE KING: May I ask my right hon. friend whether he understands the government will be free to go into Trade and Commerce estimates to-morrow if they wish to do so?

Mr. BENNETT: My understanding is that we cannot take up the estimates of any new department to-morrow beyond those of Trade and Commerce. External Affairs, and Public Works, and that only one External Affairs item will be taken up namely that respecting the League of Nations, after which we shall take up Trade and Commerce. If we do not decide to continue until we finish that, then we shall take up an item on Public Works, the estimates of which are nearly all through.

Mr. MACKENZIE KING: I do not think my right hon. friend is entitled to proceed with Trade and Commerce estimates to-morrow. I shall read the resolution under which we proceeded to-day. It is to be found in the Votes and Proceedings of May 6, as follows:

That the debate on the motion of the Minister of Finance that "Mr. Speaker do now

leave the chair for the house to resolve itself again into committee of supply" and the proposed amendment thereto of Mr. Brown, be resumed on Thursday, May 7th, instant, and that standing order 28 be suspended on that day in relation thereto.

After debate thereon, the question being put on the said motion, it was agreed to.

The suspension therefore of standing order 28 is applicable only to to-day, May 7; it does not apply to to-morrow. Standing order 28 reads:

On Thursdays and Fridays when the order of the day is called for the house to go into committee of supply, or of ways and means, Mr. Speaker shall leave the chair without putting any question, provided that, except by the unanimous consent of the house, the estimates of each department shall be first taken up on a day other than Thursday or Friday.

The house has given unanimous consent to take up what we have done to-day with respect to to-day, but it has not given unanimous consent to take up the estimates of the Department of Trade and Commerce on a Friday or on any subsequent Thursday without having them taken up in the regular way in the first instance.

Mr. BENNETT: We cannot reprobate and approbate at the same time, I think Lord Eldon once said. What has happened is that we have made to-day a Tuesday for the purpose of going into supply, and Trade and Commerce is the item which we have considered, which we could not have considered otherwise than by consent of the house. It having been so considered and the house having further consented that External Affairs be taken up to enable the hon. member for Vegreville to speak about a particular matter, my submission is that the house has now before it three supply items: Public Works, Trade and Commerce, and External Affairs, and that having agreed to take up but one item in External Affairs to-morrow; we may go on with Trade and Commerce, because that item is now properly before the committee by the consent of the house. It could not be otherwise.

Mr. MACKENZIE KING: The consent of the house was given to the taking of the item for to-day, but standing order 28 is still applicable, and while we are only too anxious to oblige the government in the matter of the expedition of its business, we must not, by giving our consent here and there, be prejudiced as respects our position in other particulars. I am quite prepared to leave the matter to Mr. Speaker to decide, but I submit that the resolution under which we proceeded to-day to consider estimates is applicable only to the day of May 7; that apart from that, standing order 28 is applicable for the rest of the session, indeed is applicable to the session as a whole, and that by giving consent to take up a particular estimate to-day, we have not waived the right we have under standing order 28 to refuse to give consent to taking up the estimates of any department that has not been gone into on a Monday, Tuesday or Wednesday.

Mr. BENNETT: Of course we treated Thursday as Tuesday. Otherwise, without the consent of the house, we could not have gone on at all. Owing to the fact that on going into supply on Tuesday, a debate was precipitated which, except for private member's day, lasted practically without interruption until to-night, I certainly believe that since the item is by consent before the committee, it stands for consideration. Otherwise, there was no point at all in the consent. We might as well have gone on next Tuesday, because Monday is another private members' day.

Mr. RINFRET: The items have been passed; they are no longer before the committee.

Mr. MACKENZIE KING: We are willing to do the best we can to facilitate my right hon. friend in carrying on the business of the house, but if every time we oblige him he is going to take advantage of our courtesy to go beyond anything we intend, we shall have hereafter to decline to give him consent on other things.

Mr. BENNETT: I am not inclined to ask for it.

Mr. MACKENZIE KING: I submit that my right hon. friend has not the right to proceed to-morrow with either External Affairs or Trade and Commerce estimates without the unanimous consent of the house. I have said that so far as the opposition is concerned we are prepared to give unanimous consent to External Affairs being proceeded with on the condition that one item, and one item only, shall be called, so as to allow the hon. member for Vegreville immediately to make a speech which he is anxious to make. We are prepared to do so in order to oblige him as well as to oblige the leader of the government, but beyond that our obligation does not extend.

Mr. GARDINER: I have not looked up the rule in regard to this particular question, but when the understanding was arrived at yesterday, I certainly understood that if we finished the debate on the amendment to the motion for supply to-day, we would go into supply on another item. I did not understand that we would take up two items, but one item only.

Mr. BENNETT: That is right, but the second item was merely to enable the debate on the item of the League of Nations to take place before the council of the league meets in May.

Mr. MACKENZIE KING: Perhaps His Honour the Speaker would give his ruling on the matter.

Mr. SPEAKER: The resolution that was passed on the 6th of May was:

That standing order 28 be suspended for to-morrow, Thursday, the 7th day of May—

That is to-day. Standing order 28 provides:

On Thursdays and Fridays when the order of the day is called for the house to go into committee of supply, or of ways and means, Mr. Speaker shall leave the chair without putting any question, provided that, except by the unanimous consent of the house, the estimates of each department shall be first taken up on a day other than Thursday or Friday.

This is Thursday, and the estimates have been taken up to-day. I take it that the intent of the motion which I have just quoted was to treat to-day as a day other than Thursday, although I may say that the right hon. leader of the opposition has applied a strict interpretation of the rule. I think that to go into supply to-morrow on any other item than items concerning Public Works, the house should give its unanimous consent.

Mr. MACKENZIE KING: Hear, hear.

Mr. BENNETT: I shall appeal from that ruling.

Mr. SPEAKER: And the leader of the opposition has signified his willingness to give unanimous consent.

Mr. BENNETT: It is needless to say that I do not agree with that ruling, but the house can appeal from it. As it is eleven o'clock I have nothing further to say at the moment.

Mr. MACKENZIE KING: And I may say that the opposition will support the ruling of His Honour the Speaker.

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

Friday, May 8, 1931

The house met at three o'clock.

RAILWAY COMMITTEE

First report of the select standing committee on railways, canals and telegraph lines.—Mr. Harris.

CRIMINAL CODE AMENDMENT

PROPOSAL TO PENALIZE PRACTICE OF ISSUING CHEQUES WITHOUT FUNDS

Mr. A. W. NEILL (Comox-Alberni) moved for leave to introduce Bill No. 43 to amend the criminal code.

He said: Mr. Speaker, the purpose of this bill is to make it easier, or perhaps I should say to make it less impossible, to secure a conviction against that ever growing band of crooks who make it their business to prey on the public by going from town to town and from district to district leaving behind them a trail of cheques drawn on banks where they have no funds or where in many cases they even never had an account. At the present time these men can be proceeded against only under the section of the criminal code which deals with false pretences and it has been found almost impossible to secure a conviction under that section. It is necessary to show an evil intent when the cheque was passed, that is, an intent to defraud the payee and it is practically impossible to prove what is in a man's mind on a given occasion. Very often the plea is made: Yes, I knew I had no money in the bank but I expected President Hoover or someone else to make a deposit before it came due. It is very necessary to check this growing evil which imposes a heavy burden on hotels and business men, which burden is ultimately passed on to the consuming public. This will be rather a difficult piece of legislation because it is essential while proceeding against this type of man to protect two classes of individuals. The first is the man who by mere inadvertence allows his account to become overdrawn. I have done that myself, and that man must be protected. Then there is the other man, almost equally innocent, who is running a small business. Times are hard and he is being pressed, we will say, by his wholesaler. He knows it will take four or five days for a cheque to reach the wholesaler and then be returned to his bank; he knows he is getting money in all the time from his customers and he takes a chance and draws a cheque which may not be good at the moment but which he honestly expects will, in all probability, be good by the time it comes back to his

bank. That man should be protected, and this bill fully protects these two classes of individual.

If the house will allow me to introduce this bill and have it read the first time, I will not press the second reading so that perhaps the Minister of Justice (Mr. Guthrie) may consider it, and boards of trade, chambers of commerce and business men throughout the country will be given an opportunity to express their views.

Motion agreed to and bill read the first time.

PRIVILEGE—MR. CAYLEY

On the orders of the day:

Mr. T. M. CAYLEY (South Oxford): Mr. Speaker, before the orders of the day are called I desire to rise to a question of privilege. The Woodstock Sentinel Review of Monday, May 4, contains the following item:

> Oxford members at Ottawa voted opposite ways on the Armistice day holiday bill. Presumably the south riding will refuse to take the day off.

Every hon. member knows that this bill passed the house unanimously; there was no opposition. There was a division on the motion of the hon. member for Parry Sound (Mr. Arthurs) to adjourn the debate on the second reading, which I opposed, but the bill itself was passed unanimously as will be shown at page 133 of Votes and Proceedings of April 28.

The south riding of Oxford will consider it a solemn duty and honour to keep this Remembrance day in honour of those splendid men who died during the great war.

DOMINION CONVERSION LOAN

STATEMENT BY PRIME MINISTER OF EXCHANGE PRIVILEGES OFFERED TO HOLDERS OF GOVERNMENT BONDS

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I promised the house yesterday that I would make a general statement with respect to the proposed conversion loan. During the years of the war the Canadian people loaned the government of Canada $53,000,000, payable in October, 1931, with interest at 5 per cent per annum; $73,000,000, payable November 1, 1932, with interest at 5½ per cent per annum; $446,000,000, payable on November 1, 1933, with interest at 5½ per cent per annum, and $511,000,000, payable on November 1, 1934, with interest at 5½ per cent per annum. The total amount of these four loans is $1,083,000,000, and it will be observed that nearly one billion dollars of this amount falls due in November, 1933, and November, 1934. These loans will either have to be paid or renewed and it is obviously impossible that they can be paid except by the flotation of new securities, the proceeds to be used to liquidate the old loans.

At the moment this large obligation is a serious menace to our financial operations because it is felt that as long as these liabilities have to be met in successive years there will be increasing difficulties in connection with the handling of such transactions. The government, with the best advice available, has concluded that it is desirable to anticipate the maturity of these obligations and has created what will be known as the Dominion of Canada conversion loan, 1931. No new money will be sought but the old securities will be exchanged for new bonds bearing a rate of interest of 4½ per cent per annum. All interest provided by the former securities and any benefits and privileges created thereby will remain intact until maturity.

On Monday next every newspaper in Canada will contain a full statement on the proposed conversion loan and I do not think it is necessary to do more at the moment than to merely indicate the general reasons which have actuated the government in taking this action.

Before taking any final steps in this matter, the government was fortunate in being able to set up with the aid of the banks and bond houses of Canada a central committee, the chairman of which is Sir Charles Gordon, president of the Bank of Montreal and the vice-chairman, Mr. Victor Drury of Montreal. The Canadian Bank of Commerce is represented by Mr. S. H. Logan, its general manager; the Bank of Nova Scotia by Mr. J. A. McLeod, its general manager; the Banque Canadienne Nationale by Mr. Beaudry Leman, its general manager and the Royal Bank of Canada by Mr. M. W. Wilson, its general manager. The bond houses in Toronto are represented by Mr. Arthur F. White, of the Dominion Securities Corporation, Mr. H. R. Tudhope of A. E. Ames & Company, and Mr. J. H. Gundy, of Wood Gundy & Company. The bond houses in Montreal are represented by Mr. Drury and Mr. E. G. Hanson of Hanson Brothers. In addition to that, Mr. G. W. Spinney, one of the executive officers of the Bank of Montreal, has given unremitting toil to this transaction and, while not a member of the committee, has undertaken large responsibilities in connection therewith.

The plan involves the participation by and cooperation of 4,500 agencies throughout Canada, including the branches of all the char-

tered banks of Canada and of the recognized bond dealers and brokers. I need hardly say that in a country as large as Canada it is important that the same opportunity be afforded on the same day to every person interested and it therefore becomes necessary to prepare very large quantities of material to be made available on Monday next in every part of Canada. It will perhaps supprise the house to know that during the last seven days orders for over 8,000,000 forms have been placed with the Printing Bureau and that the major portion of this large order has been delivered to the Department of Finance. Prior to noon to-day, actually 4,850,000 forms had been shipped by the Department of Finance to various depositories established throughout Canada. Five hundred thousand interim certificates in various denominations from $100 to $100,000 are being printed and distributed to the offices of the receiver general throughout Canada. We expect that on Monday next the interim certificates for those who wish to exchange the old bonds for the new, will be available for the full amount of the loan, and therefore the conversion may be made promptly.

The Post Office Department has done a great deal of work in expediting the transmission of mail, because in large cities like Montreal and Toronto, this has imposed upon that department a great additional effort. The campaign is for the moment limited to the conversion of $250,000,000 of the old securities. The books will open on Monday next and it is proposed that the Minister of Finance shall have a discretion as to the closing of them, otherwise they will close on the 23rd of May. Whatever additional information any hon. member may desire to receive will, of course, be available on Monday morning through the press, but I do not think any useful purpose will be served by stating more than I have indicated as to the purpose and intention of the government in making this conversion at this time.

It is the belief of the government and those best qualified to speak with authority in Canada, that a conversion or exchange of this kind at this time will be of a two-fold advantage to this country. In the first place it will do something to remove from the horizon a dark cloud of impending borrowing that every Minister of Finance must face as long as there is $1,000,000,000 to be liquidated in some way between now and 1934. In the second place, inasmuch as the securities are largely held by Canadians, it is believed that by accepting, after the date of maturity of the present obligations, a rate of interest one per cent less than that which they have been receiving, they will indicate a faith and belief in the future of their country that will be a striking testimony to the value of its assets and its credit amongst the peoples of the world. I do not think it is necessary to take up further time than to indicate in this general way what the purpose of the government has been in this regard.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should like to ask the Prime Minister a question in reference to one feature that has been referred to in the press, namely, a possibility of the exemption from taxation of any of the new bonds. Would my right hon. friend indicate whether anything of the kind is contemplated?

Mr. BENNETT: I am very glad the right hon. gentleman mentioned that because really I did not suppose it was necessary in this day and generation to say that the bonds and the interest therefrom are all taxable. The non-taxable feature which is, of course, a part of the contract of the old bonds, cannot be abrogated, but none of the new bonds is free from taxation as to principal or interest. They are all taxable.

Mr. EULER: What is the length of term of the new securities?

Mr. BENNETT: The reason I did not go into the details of that was that some of them are somewhat complicated, and it would be better just to make the general statement: twenty-five years from the date of the maturity of the present obligations, callable at the end of fifteen years. That is, during the last ten years of the life of the new bonds the government has the opportunity of calling them in.

Mr. EULER: That is a long period.

Mr. BENNETT: Yes, but it is desirable in an operation of this kind that we should have that right. The bonds are for fifteen years certain. Do I make myself clear?

Mr. STEWART (Edmonton): Is there a time limit on the applications?

Mr. BENNETT: They open on Monday and they close on the 23rd. They may close earlier at the discretion of the Minister of Finance.

Mr. THOMAS McMILLAN (South Huron): The Prime Minister says that $250,000,000 will be dealt with at first. Is it the intention to deal with any of these issues prior to 1934?

Mr. BENNETT: It is specified that those who hold bonds of 1931, 1932, 1933, or 1934 may, on signing the proper application form, convert them into the new security and $250,000,000 is the amount fixed at the moment. If there should be a very general desire on the

part of the Canadian people to increase that amount, we would not hesitate to yield to their wishes in that regard.

Mr. F. G. SANDERSON (South Perth): Would the Prime Minister have any objection to stating to the house the rate of commission that will be paid to the banks and bond firms for handling this issue?

Mr. BENNETT: I do not think there is any reason why this information should not be given, although I think the hon. gentleman would have been well advised, in the interest of the loan, not to ask this question at this particular time; but as he has asked it, I think it must be answered. I do not think, in asking it, he is doing any good service to his country.

Mr. SANDERSON: I shall be quite willing to drop the question.

Mr. BENNETT: It has been asked now, so it does not make any difference. The sum payable for commission to all is one half of one per cent, including all the expenses which they may incur, and little and big will be paid the same rate. There are no over-riding commissions. In the interest of the loan, I am very sorry the hon. member asked the question.

Mr. SANDERSON: I have no apology to make.

Mr. BENNETT: No, I did not expect the hon. gentleman would have.

UNEMPLOYMENT SITUATION

REPORTED EMPLOYMENT AT CHURCHILL OF IMMIGRANTS FROM GERMANY

On the orders of the day:

Mr. J. P. HOWDEN (St. Boniface): I should like to direct a question to the acting Minister of Immigration. At a recent meeting of the Winnipeg city council, the matter of civic servants who were not naturalized citizens of Canada, was taken up. In the course of the discussion, the following statement was made:

Alderman Flye claimed that the foreigners seemed to get the preference of jobs in this country. For example, he said, a whole shipload of Germans had been brought direct to Montreal and sent to Churchill, where they had been given employment immediately, while hundreds and thousands of British citizens went idle.

The communication in which this clipping was enclosed is from the president of the St. Boniface Young Men's Board of Trade, who says:

[Mr. Bennett.]

We have been informed through the enclosed clipping that a shipload of Germans has been brought direct to Montreal and sent to Churchill where they have been given employment immediately.

I do not want to rouse a strong objection until I am positively sure of this being the case, so will you please ask the Hon. W. A. Gordon, Minister of Immigration, if he knows anything about this.

Has the minister any knowledge of this? Is this information correct, and if so, is it going to be the policy of the government, in face of the fact that we have hundreds and thousands of British citizens who are idle in this country?

Hon. W. A. GORDON (Minister of Immigation): Could the hon. gentleman inform me when this shipload arrived? Does he know anything about the date of arrival?

Mr. HOWDEN: I have just a clipping giving an account of the meeting of the Winnipeg city council. It was on May 2, 1931, that this meeting was held.

Hon. R. J. MANION (Minister of Railways and Canals): In regard to the port of Churchill, I might tell my hon. friend that no Germans or other nationals have come from any country in the world and been shipped to Churchill.

Mr. HOWDEN: I am glad to hear the answer of the minister. The duty devolved upon me to put the question to the house.

CANADIAN FARM LOAN BOARD

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): I promised yesterday to make a statement with regard to the operations of the Canadian farm loan board. This morning I had prepared a short memorandum, part of which I shall now submit to the house:

The Canadian farm loan board is constituted and operates as a body corporate and politic under the provisions of a special act of parliament which defines its powers and duties, namely, chapter 66, Revised Statutes of Canada, 1927.

The members of the board are appointed for a term of years by order in council of the Dominion government. The administration of the board's activities, however, in each province is carried out through the agency of a provincial board of three members all of whom are the nominees of the provincial government. Provision is made also for the appointment of a fourth member to each provincial board who shall be the nominee of the borrowers in that province.

The Dominion government provided the initial financial assistance for the board in the form of advances of capital up to five million dollars which are free of interest for three years from date of advance.

That is to say, the government of Canada advances the money to the board which for the first three years is free from any interest charge in favour of the country; the country for the first three years gets nothing for its money. The memorandum continues:

The amount of the said advances, however, with interest, after the initial three-year period, at the rate of five per cent per annum, is repayable out of the earnings of the board. Subsequent loaning funds are obtained through the sale by the board of farm loan bonds issued on the security of mortgages held by the board on account of loans already made. These bonds do not carry the guarantee of the government and the payment of interest on the said bonds and the repayment of capital must be provided for by the board itself.

As a body corporate, the board under the act is empowered to issue capital stock. The subscribers to the said stock are limited to three classes:—

The Dominion government purchases stock of the board to the extent of five per cent of moneys loaned by the board;

Each provincial government subscribes to stock of the board to the extent of five per cent of moneys loaned in the province;

Each borrower subscribes to stock of the board to the extent of five per cent of the loan obtained.

All earnings derived by the board in the course of its operations, after providing the necessary reserves, are distributed to the shareholders in the form of dividends. Dividends on stock held by the governments, however, are limited to five per cent per annum, the borrower shareholders alone participating in dividends declared in excess of this amount.

In the interests of all shareholders, the Dominion government appoints a firm of chartered accountants to make an annual audit of the board's affairs and this report—

As perhaps the house will recollect:

—is tabled in parliament.

As protection to the interests of the provincial governments, provision is made under the act for the convening by the Minister of Finance from time to time of an advisory council consisting of the provincial treasurers and the chief executive officer of each provincial board to confer on matters relating to the administration of the board.

As an assurance to shareholders that the board shall not in its regulations exceed the powers given to it under the provisions of the act, the regulations of the board are subject to approval by the governor in council.

As is apparent from the foregoing, the whole scheme of administration and the financial structure of the board is entirely different from the structure of the provincial boards which are or have been operating in the various provinces of Canada.

In the case of the various provincial boards, loaning funds of the board have been provided either directly by vote of the provincial legislature or through the sale of government guaranteed securities and all the earnings of these boards in turn have been directly accounted for by the provincial board as received to the provincial government.

Assuming the loans had been made, and many have been, the next question is as to the policy of the board with respect to the collection of the interest and the principal. That question being asked yesterday, I asked the chairman of the board, Dr. J. D. MacLean, as to what that policy was, and he has submitted the following memorandum:

The policy of the board with respect to arrears, which recently went forward to the various provincial offices, is outlined in the form of a memorandum, as follows:

"The general policy of the board in dealing with cases of arrears must be framed along the following lines:

(a) In cases where there is actual inability of the borrower to pay, carry the borrower over for a reasonable length of time, provided,—

1. He is making an honest effort to pay and is giving the board equal consideration with other creditors.

2. There are reasonable prospects of ability to pay within a reasonable length of time.

3. The security is not deteriorating in value, and the amount of the board's loan plus arrears and unpaid taxes has not grown to an amount which jeopardizes the board's prospects of realizing by sales proceedings the amount of the board's investment.

Naturally, where the borrower's intentions are the best but where there is no reasonable prospect of the applicant improving his position either because of other liabilities or because of lack of farming ability, and where the postponement of action means no ultimate relief to the borrower there is no object in withholding the institution of sale proceedings.

(b) Where there is ability to pay but failure to do so, the failure of the applicant to furnish either satisfactory collateral security to secure payment within a reasonable length of time or to give other satisfactory assurance of payment should be followed by either a distress on chattels or the commencement of foreclosure proceedings whichever is, under the circumstances, most appropriate.

In view of the importance attached by head office to the necessity of following up collections in the early stages of the board's loaning operations we request that starting May 1st every superintendent forward a brief monthly report on each case of arrears."

That is the memorandum sent to the provincial offices. Dr. MacLean continues:

The provincial boards have placed on each borrower who has professed inability to pay the onus of giving to the board satisfactory reasons for an extension of time for payment. Each such borrower has been required to submit a statement of crop returns and a statement of receipts and expenditures covering the last year's operations and an up-to-date statement of assets and liabilities, with a view to determining whether or not a good case has been made out for an extension of time for payment.

All borrowers who have given what appeared to be reliable undertakings for future payment, or who, as the result of the year's operations, are actually financially unable to make a payment until proceeds of present year's crops are received, are granted the necessary extension of time. In cases, however, where the borrower has not displayed any inclination to cooperate with the board nor to give satisfactory information or replies to letters from the board, solicitor's collection letters have gone forward. In other cases, where there appears to be

ability to pay but the failure to do so, distress warrants have been issued, to enforce collections.

I may say that in the province of Alberta, where we have the largest percentage of arrears at the present time, no foreclosure or sale proceedings have been instituted in any case up to the present time. Distress warrants have been issued in not more than ten cases, and in each case where such distress warrant has been issued the borrower has made a satisfactory payment very shortly after seizure was effected.

Solicitors' letters have gone forward in all provinces, however, to a percentage of borrowers who had failed either to carry out the promises previously made, or who had failed to make a satisfactory response to communications from the board.

The responsibility of collection rests with the provincial board of each province. Distress proceedings may be instituted by the provincial superintendent on the authority of the provincial board. Sale or foreclosure proceedings, however, are instituted only on instructions from head office upon the recommendation of the provincial board.

Reinspection reports on the securities held by the board in as many cases of arrears as possible will be obtained during the course of the present season.

I trust that two points are abundantly clear, two points about which there has, apparently, been some doubt: First, that the government of Canada is not responsible for the initiation of proceedings in connection with collections; secondly, that there can be no foreclosure proceedings taken or sale under foreclosure proceedings made unless the head office does give its authority. I think it is also patent to everyone that the board itself is an organization over which the government as such has no control; in other words, it is not an instrument of government; it is an organization created by a statute, and is discharging its statutory obligations with the assistance given by the governments of the country, federal and provincial, and by borrowers from the funds which it may have at its disposal.

In the Finance department this morning I received from Mr. Sellar the last report of the federal farm loan board of the United States for the year ending December 31, 1930, and I venture to read two or three lines from the opening pages of that report because I conceive them to be of some importance in this country where our experience has been limited as compared with the very large experience which the farm loan board of the United States has had in the conduct of business of this character.

The chairman indicates the effort made to —shall I say?—place the business of the board in politics by introducing measures in the House of Representatives that on the one hand would force action on the part of the board or on the other restrict its activities.

[Mr. Bennett.]

At page 5 of the report I find the following:

In this connection a number of bills and resolutions have been introduced in both houses of congress providing for the suspension of foreclosures by the federal land banks in certain sections of the country for varying periods of time or the extension of the time of payment of instalments on loans due the banks and authorizing loans by the government to the federal land banks to enable them to defer foreclosures. These measures in effect would result in the establishment of a moratorium on payments. The secretary of the treasury, in response to requests from the committees on banking and currency of the Senate and house for his recommendations, has reported adversely with respect to these proposals. In the opinion of the board measures of this character would impair the morale of borrowers generally, encourage delinquencies on a widespread scale, imperil the market for federal land bank bonds and do incalculable harm to the system. Incidentally it should not be overlooked that, as only about 12 per cent of the farm mortgage indebtedness of the country is held by the federal land banks, such measures, even if enacted into law, would not affect a large number of the farmers in the sections concerned.

The board is advised that many borrowers in a position to pay have not paid promptly because they understood that they would be granted extensions by law and that the banks would be prohibited from taking action for self protection. This presented an unfortunate condition, and it was a serious problem for the banks to correct these impressions and misunderstandings. For example, one borrower from a federal land bank pinned a newspaper clipping, announcing the introduction of a bill proposing an extension of the time of payment, to the notice which the bank had sent him regarding the instalment on his loan which was due and returned it to the bank without payment. In another case one of the banks received from a delinquent borrower a copy of a letter which had been written to him, pointing out that legislation had been proposed extending the time for making payments on loans and stating that some form of relief as to extensions likely would be made. A field man of one of the banks reported that he found "numerous cases of the least deserving just suspending their efforts to make the payment and feeling confident that they will be relieved." These instances are cited merely as illustrations of the effect that even the introduction and consideration of the proposals had in increasing the collection problems of the banks, which, of course, as stated above, must make all the collections possible in any event.

There is also in the report an extract from the recommendations of the secretary of the treasury, but I will not trespass upon the time of this house to read them. It will be observed the problem to which attention has been directed is not one peculiar to Canada, but one which has to be dealt with in every country where this form of organization exists. Fortunately or unfortunately in this case, so far as the government is concerned, we have no power to deal with the matter in the sense in which the question was asked yesterday.

Power must be exercised through the provincial boards, and I have every reason to believe that every possible consideration has been extended to borrowers who are also shareholders in the board for the purpose of enabling those who have hope and confidence in the future to carry on and succeed in deriving from their efforts such sums as will enable them to liquidate their obligations.

BUSINESS OF THE HOUSE

EFFECT OF SUSPENSION OF STANDING ORDER 28 FOR THURSDAY, MAY 7

Right Hon. W. L. MACKENZZIE KING (Leader of the Opposition): Before the orders of the day are called I think it is desirable that there should be an understanding between the government and other hon. members of the house as to the business of the day. Last night at the conclusion of the sitting the question was raised as to the significance of standing order 28. That standing order is as follows:

28. On Thursday and Fridays when the order of the day is called for the house to go into committee of supply, or of ways and means, Mr. Speaker shall leave the chair without putting any question, providing that, except by the unanimous consent of the house, the estimates of each department shall be first taken up on a day other than Thursday or Friday.

I assume therefore if order No. 5 is called, "House again in committee of supply," Your Honour will leave the chair without question being put. For that reason, as the matter is one which affects the privileges of the house, I wish to raise the point I do before Your Honour leaves the chair. Under standing order No. 28 I assume that with the exception of estimates which have been taken up on Monday, Tuesday or Wednesday, the government will not have the right to proceed, except by consent of the house, with estimates of any department other than those which have been discussed on those days. The only estimates which have been discussed on Mondays, Tuesdays or Wednesdays have been the estimates of the Department of Public Works, and the government would be perfectly in order to-day to proceed with the estimates of that department. If, however, the government were to proceed with the estimates of the Department of External Affairs they would have to have the consent of the house so to proceed. Last night I intimated that in order to meet a certain purpose to which the Prime Minister referred, so far as the official opposition was concerned we would consent to proceeding with the estimates of the Department of External Affairs, by the calling of a certain item to-day. I was surprised when I found that the Prime Minister felt he had a right to proceed to-day with the estimates of the Department of Trade and Commerce. He apparently assumed such to be the case simply because yesterday we consented to allow him, for yesterday only, to take up an item in that particular department. Not only did we consent to take up the item but we consented to the passing of it. I am not raising this question for any factious reason or to embarrass the government. It is important that the privileges secured by rules to members of this house should be observed, and that advantage should not be taken by the ministry of any arrangement arrived at through courtesy in order to secure a right or gain a position which the rules of the house never intended the government of the day to have. If it will help to simplify matters for the government and at the same time to secure due the observance of the rules without embarrassment to anybody, I am content to say to my right hon. friend that if we proceed with supply and the Department of Public Works is concluded, I have no objection immediately to have taken up the items of the department of External Affairs. If the government wishes to take up external affairs estimates immediately for the purpose indicated we are quite prepared to give our consent that that should be done to-day. If when these two matters are disposed of, should there be no further business before the house, then if my right hon. friend asks for the consent of the house to proceed with another department we will seek to oblige him. However it is important I think that the rules as they are should be maintained. It should be understood that giving consent to-day for proceeding with the estimates of any other department would not be held to establish a precedent or a reason for the estimates of any such department being taken up on a subsequent Thursday or Friday unless in the first place, they had been considered, as the rules demand on a Monday, Tuesday or Wednesday. I see the embarrassment of the situation—

Mr. BENNETT: No embarrassment at all, not the slightest.

Mr. MACKENZIE KING: All right.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I felt quite certain there must be at least some misapprehension on the part of my right hon. friend or he would not have made the observations he did last night. To suggest that anyone on this side of the house desired that the rules should be abro-

gated or that other than the utmost good faith should be observed is I think most unfair and unjust. I resent the language used just now by the right hon. leader of the opposition when he implied that anything but the utmost good faith had been observed in connection with this matter. I now propose to prove to you, Mr. Speaker, and to this house that not only did I place the same interpretation upon our rules as the right hon. gentleman has now indicated but I took steps twice at least during the evening to make my position abundantly clear. If the house will be good enough to refer to page 1374 of Hansard it will be observed that immediately at the conclusion of the debate and the indication of the pairs, supply was called. The deputy speaker then took the chair. Whereupon, Mr. Bennett realizing he had no right to proceed except by consent, and having first of all crossed to the right hon. gentleman opposite and spoken to him, rose in his place and made the following statement:

Mr. Chairman, by consent of the house, I purpose to take an item in the Department of Trade and Commerce and also an item in the Department of External Affairs.

I would ask the house please to be good enough to observe those words, "by consent of the house". And I am not unfamiliar with rule 28, which says that, when the Speaker leaves the chair on Thursdays and Fridays, without any question being put, except by the unanimous consent of the house, the estimates of a department shall not be taken up unless that department has already had part of its estimates considered in committee on some other day. It therefore followed that having received unanimous consent of the house, I was in a position to proceed and I then used these words:

The hon. member for Vegreville (Mr. Luchkovich) intimated his desire to speak to-morrow when the Geneva item is called upon the question of the rights of minorities in Poland. As the council of the league meets at an early date the hon. member should be afforded that facility if at all possible. If the house consents we will take a single item in the Department of Trade and Commerce, and then an item in the Department of External Affairs. From that point we will proceed with items in the Department of Public Works.

Mr. Mackenzie King: I can see no objection to expediting matters by taking an item in any single department, but to take two departments is perhaps going a little farther than is usual.

Mr. MACKENZIE KING: Hear, hear.

Mr. BENNETT: Certainly, I have already said that. I replied:

[Mr. Bennett.]

The right hon. gentleman is quite correct. I remember that last year the estimates for the Department of External Affairs were put through very expeditiously, and my reason for suggesting consideration of the items in that department was to afford the hon. member for Vegreville an opportunity to speak, as the meeting of the council will be held at an early date.

Mr. Mackenzie King: If I understand the Prime Minister correctly, he does not intend to take up different items in the department, but rather to consider at this time only one item?

Mr. Bennett: Yes. We shall go on with the Department of Trade and Commerce, taking an item at this time so that it may come before the house to-morrow, thereby affording the hon. member an opportunity to speak.

Then the estimates of the Department of Trade and Commerce were taken up and an item was passed. At page 1376 an item of External Affairs was taken up, and hon. members will note the following discussion:

Right Hon. R. B. Bennett (Secretary of State for External Affairs): There is no change in this item either as to staff or amount involved, except the statutory increases.

Item agreed to.

Mr. Bennett: It is understood that the next item of External Affairs to be called, if the committee please, will be the League of Nations, Geneva, on which the hon. member for Vegreville wishes to make some observations.

Mr. Mackenzie King: Does my right hon. friend intend to go on with External Affairs to-morrow?

Mr. Bennett: Whatever my right hon. friend wishes.

Mr. Mackenzie King: I would prefer to leave it until next week.

Mr. Bennett: Then that will be the only item in External Affairs to be taken up to-morrow, the item dealing with the League of Nations.

Then we went on with Public Works, and when the business of the house for to-day was being considered the right hon. gentleman raised the question as to what estimates should be dealt with. At page 1379 will be found the following discussion.

Mr. Mackenzie King: May I ask my right hon. friend whether he understands the government will be free to go into Trade and Commerce estimates to-morrow if they wish to do so?

Mr. Bennett: My understanding is that we cannot take up the estimates of any new department to-morrow beyond those of Trade and Commerce, External Affairs, and Public Works, and that only one External Affairs item will be taken up namely that respecting the League of Nations, after which we shall take up Trade and Commerce. If we do not decide to continue until we finish that, then we shall take up an item on Public Works, the estimates of which are nearly all through.

Then my right hon. friend proceeded to quote the rule that he has just read.

What has happened is that we have made to-day a Tuesday for the purpose of going into

supply, and Trade and Commerce is the item which we have considered, which we could not have considered otherwise than by consent of the house.

So all this difficulty might have been obviated by just looking at this single line:

—which we could not have considered otherwise than by consent of the house.

Mr. MACKENZIE KING: That applied only to yesterday.

Mr. BENNETT: I am coming to that. I said we could not have considered the item otherwise than by consent of the house. I continued:

It having been so considered and the house having further consented that External Affairs be taken up to enable the hon. member for Vegreville to speak about a particular matter, my submission is that the house has now before it three supply items; Public Works, Trade and Commerce, and External Affairs, and that having agreed to take up but one item in External Affairs to-morrow; we may go on with Trade and Commerce, because that item is now properly before the committee by consent of the house. It could not be otherwise.

I repeat that in my desire to sustain the rule I said again, now for the third time, that the item could not have been considered otherwise than by consent.

Mr. MACKENZIE KING: Surely.

Mr. BENNETT: Except by consent. I sat in the position which my right hon. friend now occupies during a period of some three years and learned something in connection with the transaction of parliamentary business, and I recall very distinctly that a similar situation then arose. The difficulty at that time was to determine whether or not the result of the adjournment of a debate, either by reason of the eleven o'clock rule on an ordinary day or the six o'clock rule on Wednesday, was to carry the debate arising out of an amendment on going into supply to the next Thursday, skipping the Wednesday intervening, or to the next Tuesday. Last year we departed from a practice that had theretofore existed, and it was determined then that we should go forward into the next Tuesday unless by consent it was determined otherwise. So, first, there is no difference between the right hon. gentleman and myself with respect to the necessity of preserving the rule; secondly, the rule can only be abrogated by unanimous consent in the terms of the rule itself; thirdly, that consent was given yesterday. As a result of that consent the committee of supply is seized of the items relating to the Department of Trade and Commerce, and once it is seized of them, and the Speaker is out of the chair, supply then with respect to these items is before the committee. In other words, you cannot be out and in at the same time. That is all. The only difference—about which I think the right hon. gentleman has used somewhat stronger language than the facts would warrant—is with regard to what was covered by the consent. Not once, but three times, and almost a fourth time, I said except by consent we could not go on. With that consent we went into committee of supply, and my hon. friend from Acadia (Mr. Gardiner) followed my right hon. friend a moment later and said he thought we should deal with only one department. I said at once that we desired to deal with more than one branch at least, and that was because of my desire to accommodate the hon. member for Vegreville, for reasons which I made apparent.

Now once more if the house will be good enough to look at the rule it will be found that the difficulty suggested is more imaginary than real. This is the rule that:

On Thursdays and Fridays when the order of the day is called for the house to go into committee of supply, or of ways and means, Mr. Speaker shall leave the chair without putting any question,—

That is to-day, Friday, he leaves the chair without question put.

—provided that, except by the unanimous consent of the house, the estimates of each department shall be first taken up on a day other than Thursday or Friday.

Yesterday, exactly within the terms of that rule, by the unanimous consent of the house, the estimates of the Department of Trade and Commerce, and the Department of External Affairs were taken up and an item passed in each, so that we come distinctly and positively within those very words "unanimous consent of the house." All that my submission was or ever has been is that that having been done, and to-day being Friday, on the Speaker leaving the chair, we have before us three departments, and three only, Public Works, Trade and Commerce, and External Affairs; and that it is competent to call items in any one of those departments because they are there, two of them by unanimous consent of this house, and that once being there they cannot be taken out except in the manner and form provided by the rules themselves, namely, after consideration when the committee of supply is determined and its report made. That is the position, otherwise no purpose would be served at all.

But I think the difficulty can be resolved very simply. Last evening we entered into a discussion before the Speaker. He had no jurisdiction because the matter cannot arise before him; it must arise in committee after

the Speaker leaves the chair. Of course, it may ultimately be dealt with by him. I did not then treat the matter as other than a suggestion by the right hon. gentleman opposite as being one that involved the exercise by the Speaker of his official functions, because he could not at that time deal with it. I say to the right hon. gentleman that I am greatly obliged for the suggestion he made in the latter part of his speech. I would not have thought of taking up the time of the house in dealing with the matter had he not made his statement in the terms he did.

I assure him he will never have any cause to complain that the utmost good faith has not been observed by me or by anyone associated with me on this side in the transaction of business, and I am sorry he saw fit, in the light of the consent so graciously given yesterday on three occasions, which enable us to expedite the country's business, to have spoken as he has done. I did find it a little difficult to understand just why he should have taken the view he did. I find it more difficult now to imagine why he should animadvert on our motives in dealing with the matter in the way we did; but if we take up the item to which reference was made yesterday, that with respect to Geneva, and then proceed with public works, we will probably get through with that department. I do not see, however, how the Trade and Commerce estimates can ever be brought more before the committee than they now are, because unanimous consent was given to treat yesterday, Thursday, as though it was Tuesday and put the items before the committee of supply. That is the position.

I think that some confusion has arisen with respect to two things. Perhaps I was responsible for part of it in this sense, that I said the effect of the action was to make Thursday Tuesday. It was qua debate, because we could not debate the matter at all except by unanimous consent, and we regarded yesterday as Tuesday. Once the debate was ended I realized I could not go into supply on Trade and Commerce, and I went over and consulted with my right hon. friend, with the result that the matter was dealt with as indicated. On three separate occasions, and partially on a fourth, I said I could proceed only by unanimous consent, and it was on that basis, the unanimous consent of this house, that every step has been taken in dealing with this department. I am sure that on further consideration the right hon. gentleman will realize that not only was there neither intention, nor desire nor effort to take advantage of the consent thus given, but that, on the contrary, an endeavour was made to avail ourselves of that consent for the purpose of carrying forward what I believe was contemplated, namely, the transaction of the business of the country as expeditiously as possible.

Mr. MACKENZIE KING: I do not wish to prolong the discussion but there might as well be an understanding between the Prime Minister and myself as to further occasions of suspending the rules, which may have to be the result of arrangement between us. Last night my right hon. friend crossed the floor and spoke to me about taking up an item of External Affairs to-day in order to oblige an hon. member of this house.

Mr. BENNETT: And I said Trade and Commerce.

Mr. MACKENZIE KING: If my right hon. friend said Trade and Commerce I did not hear or so understand him.

Mr. BENNETT: Last night.

Mr. MACKENZIE KING: Indeed, I was rather surprised that he mentioned it when he began speaking opposite. I would not have made the remark I did if my right hon. friend had spoken about Trade and Commerce.

Mr. BENNETT: No objection was taken to it in the house.

Mr. MACKENZIE KING: May I read what my right hon. friend has said. I wish to repeat that the understanding between the Prime Minister and myself had relation to the taking up of an item of External Affairs. That was the understanding, at least when the right hon. gentleman spoke to me over here. When he crossed the floor again he made an announcement to the house in the words I am about to quote. He said:

> Mr. Chairman, by consent of the house I purpose to take an item in the Department of Trade and Commerce and also an item in the Department of External Affairs.

and so on. I replied:

> I can see no objection to expediting matters by taking an item in any single department, but to take two departments is perhaps going a little further than is usual.

I would not have made that observation had I had an understanding with my right hon. friend that two departments should be proceeded with. My right hon. friend replied:

> The right hon. gentleman is quite correct. I remember that last year the estimates for the Department of External Affairs were put through very expeditiously—

and so on. Then:

> Mr. Mackenzie King: If I understand the Prime Minister correctly, he does not intend

to take up different items in the department, but rather to consider at this time only one item.

Mr. Bennett: Yes. We shall go on with the Department of Trade and Commerce, taking an item at this time so that it may come before the house to-morrow, thereby affording the hon. member an opportunity to speak.

The house went into supply immediately, and before I had a chance to say a further word, I took advantage of the first favourable moment thereafter to point out to the Prime Minister wherein I considered he had misstated the arrangement between us. And I asked, before the adjournment of the house—

Mr. BENNETT: But we passed an item in Trade and Commerce without any objection from the right hon. gentleman. That is the real point.

Mr. MACKENZIE KING: If that is the real point, let me answer it in this way. That item was dealt with by consent of the house to take it up yesterday and not to-day. Consent was given to take up Trade and Commerce yesterday, and to take up, as well, one item of External Affairs. But that consent applied only to Thursday, May 7, and not to Friday, May 8. That is the difference between my right hon. friend and myself. If the Prime Minister wished to have the consent of the house to go into supply on Friday, the 8th, on items other than those of the Department of Public Works he should have got specific consent for that purpose. But he must not assume that consent as having been given in virtue of a rule having been suspended to oblige an hon. member.

Mr. MANION: But what would be the use of passing one item of Trade and Commerce except to put the estimates into supply?

Mr. MACKENZIE KING: The minister might have wished to get through certain supply in Trade and Commerce, and as a matter of fact the house did vote an item for salaries covering the entire civil government in connection with that department. The point is this, however. The business so transacted yesterday was done in virtue of the suspension of a rule by unanimous consent, which gave the government an opportunity to disregard the ordinary procedure for that day but that day alone. The motion passed on May 6 was:

That the debate on the motion of the Minister of Finance that "Mr. Speaker do now leave the chair for the house to resolve itself again into committee of supply" and the proposed amendment thereto of Mr. Brown, be resumed on Thursday, May 7th instant, and that standing order 28 be suspended on that day in relation thereto.

The Prime Minister has not read that motion to-day and it is the one in virtue of which we proceeded as we did yesterday.

Mr. BENNETT: That had to do only with the debate, and when the debate was through I immediately obtained consent to take up an item of Trade and Commerce in order that it might be open to-day.

Mr. MACKENZIE KING: I am not going to argue the matter further. I should assume the Prime Minister is as anxious as anyone else to maintain the privileges of the house in these matters. I still contend that the understanding with respect to yesterday's proceedings had relation only to that day, and that so far as to-day's proceedings are concerned we are governed by standing order 28. We intend to proceed on that assumption.

SOLDIER SETTLEMENT BOARD

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): I would remind the Prime Minister that yesterday I asked him whether he would be good enough to give instructions to the officials of the soldier settlement board to go easy on evicting soldiers under the present financial depression. He was kind enough to promise a reply to-day.

Right Hon. R. B. BENNETT (Prime Minister): I intended to have mentioned that I was unable to get in touch with the minister this morning; he was engaged in some other work. But he will prepare a statement for Monday. I do not think there is any such thing as eviction being carried on.

Mr. NEILL: Perhaps that is not the right word. I believe it is referred to as the rescission of contracts, which has very much the same effect.

Hon. W. A. GORDON (Minister of Immigration and Colonization): I may tell my hon. friend that the soldier settlement board is not adopting any attitude such as is suggested. I am sure that the board and the officials employed by them realize very well that this is no time to take any severe or drastic action with respect to any soldier or settler who is making an honest effort to remain on his farm.

DEPARTMENT OF MARINE

FRENCH VERSION OF REPORT

On the orders of the day:

Hon. ALFRED DURANLEAU (Minister of Marine): I wish to complete the answer given to the question asked yesterday by the hon. member for Beauharnois (Mr. Raymond) as regards the French version of the report of the Department of Marine and Fisheries for the year 1929-1930.

The hon. member for Beauharnois complained that he was unable to obtain the French version of the report in question. I must state that yesterday in leaving the house, I sent for the French version of this report and it was brought to me. The French version, therefore, is out and I even have a copy here at the disposal of the hon. member for Beauharnois.

Mr. LAPOINTE: Would it not be better to bring down both versions at the same time?

Mr. DURANLEAU: That may be. I do not know the custom followed in this respect, however I believe that the practice of past years has been followed this year.

Mr. LAPOINTE: No; departmental reports have always been brought down in both languages.

Mr. RINFRET: Would the hon. Minister of Marine allow me to draw his attention to the fact that his approval appears on the first page of this report. I am therefore astonished that yesterday, although this report was approved by him, he did not know of its existence.

SUPPLY

DEPARTMENT OF EXTERNAL AFFAIRS

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

Geneva—Canada's contribution to the expenses of the League of Nations for 1931, including Secretariat, International Labour Organization and Permanent Court of International Justice, $205,083.94.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Chairman, now that a partial solution has been arrived at as to the question of minority rights in this house, may I be allowed to discuss a similar question in connection with the old country. On behalf of those people who asked me to sponsor the presentation of this minority question in this chamber, I wish to express my appreciation to the right hon. the Prime Minister (Mr. Bennett) for the opportunity afforded. I wish likewise to extend to the right hon. leader of the opposition (Mr. Mackenzie King) my sincere thanks for his cooperation in this regard, and to the house an equal measure of gratitude for its unanimous consent in permitting this item to be brought down at this early date.

This is a matter of great importance not only to the 300,000 citizens of Ukrainian extraction who inhabit the various provinces of Canada but is one which is beginning to be generally recognized as a serious menace to international peace. I refer to the barbarous and inhuman treatment by Poland of her minority people. When one realizes that those not of Polish birth comprise one third of the population of Poland and out of a total population of 30,000,000, 7,000,000 are Ukrainians, that just across the border in southern Russia there are 30,000,000 Ukrainians who are sympathetic toward their compatriots residing in Poland, it is not hard to visualize the conclusions arrived at by a correspondent of the New York Herald Tribune, Mr. John Elliott, that the brutality of the Polish troops might readily become the "Thrust of a match under a powder magazine", which could easily give rise to a conflict such as was experienced in 1914. The nature of Polish activities in the western Ukraine has been widely broadcast in the world's leading dailies and newspapers, but nowhere has it been more truthfully portrayed than in a report by Miss Mary Sheepshanks, former secretary of the Women's International League. Her account of the Polish terror appeared in the Manchester Guardian of January 2, 1931, and this has been corroborated by thousands of letters which poured into Canada from old country Ukrainian relatives as well as by despatches of foreign correspondents whom the Polish ambassador at Washington had so rashly and unwittingly invited to go to Poland to see conditions for themselves. The following is the account of one who did go to see for herself:

Polish Terror in Galicia

We publish below extracts from the report of Miss Mary Sheepshanks on the atrocities perpetrated in eastern Galicia of which she made a special investigation on the spot. Miss Sheepshanks, who is a daughter of the late Bishop Sheepshanks, was at one time head of Morley college, then secretary to the "Fight the Famine" organization, and has for several years been secretary of the Women's International League at its headquarters at Geneva. Some of the details of her story make painful reading, but we have thought it necesary to publish it in full since it shows that our reports, whose accuracy has been officially denied by the Polish press bureau, in no way exaggerated the truth.

The Manchester Guardian, Jan. 2, 1931.

Personal Experiences

(Miss Mary Sheepshanks)

The events which led up to the severe repressive measures ordered by the Polish government were rickburnings carried out, it is stated, by schoolboys going through the country on bicycles. Instead of punishing the culprits it was decided to terrorize the whole population. The Ukrainian themselves believe that the repressive measures were ordered, not in consequence of the firing of crops, but in order to terrorize the population into voting for the government list in the elections.

The investigation of all these events is very difficult owing to the folowing ordinances:

Paragraph 1: Article 1.—Whoever intentionally gives such information or documents, or puts other objects at the disposal of strangers, which in the interest of the Polish state should be kept secret from the government of foreign states, is liable to a punishment of five years' imprisonment.

Paragraph 1: Article 5.—Whoever intentionally, or without authorization, collects information and documents or other material which are mentioned in article 1, or whoever attempts to obtain possession or to get information of such things, is liable to a punishment of three years' imprisonment.

Many persons are now in prison for mere possession of information with regard to damage done to persons and property. Houses are frequently searched by police, and the population is so thoroughly terrorized and in such actual danger of further reprisals that few will venture to make a statement that may lead to further floggings and imprisonment. Nevertheless it was found possible to interview a number of peasants and workmen from different villages. who were still suffering from the frightful beatings inflicted on them two months ago. In each case the general plan followed was similar, and showed clearly that it was ordered from headquarters. In some cases the attack on the village was made by cavalry, in others by police squads; the time chosen was generally night; the village was surrounded, machine guns set up. Some soldiers were detailed to levy contributions in live stock, grain, and sometimes cash from each household. Others forced the villagers to wreck their reading room, library and co-operative store, and for these operations they were not allowed tools but had to use their hands, which were often torn and bleeding, in fact used to the bone. They were then made to sign a declaration that they had carried out the demolition of their own free will. A third detachment rounded up the leading men of the village, especially the keeper of the co-operative store, the custodian of the reading room, and others, including the schoolmaster and the priest. These men were then driven into a barn, stripped, held down, and beaten with the thick sticks used for threshing. The beating was continued till the men lost consciousness; they then had cold water poured over them and the beating was resumed. Very often 200 or 300 blows were inflicted, so that the flesh was horribly torn, and in the case of the man we saw the wounds were still unhealed and raw after two months. In many cases bones were broken, in some cases death ensued. A woman from one of the villages told us how she had seen the beatings carried out, and how one young man who was being pressed to acknowledge that he had arms hidden at last, in frantic pain, said, in order to stop the flogging, that he had a gun hidden in his roof. The soldiers then went to look for it, and not finding it (it had never existed), they beat him to death.

This woman also told us how she saw a man dragged, after beating, along the roads, tied to the motor car of the officers. Women of the village were forced by soldiers to dress in their festal clothes, to provide wine and wait on the troops, and then to accompany them to the next village. Meanwhile the beaten men, bleeding and fainting, were thrown into a cellar, where they were left for 24 hours without attention to their wounds, and even without a drink of water.

In some cases women, children and very old men were flogged. We saw a boy of 13, whose leg was broken by the soldiers, and the bone was so injured and inflamed that it will not heal. We saw also a man of 63 who has now been ill for ten weeks as a result of his beating.

One terrible feature of the whole procedure was the refusal of medical treatment to the victims. Doctors were forbidden to go out of the towns to the villages, and peasants attempting to come into the towns for treatment were turned back by the police. In many cases the wounds have gangrened, and either death or lifelong injury has resulted. As is inevitable when a helpless peasantry is handed over to the armed soldiers and police to do as they like, numerous excesses of all kinds have occurred. A priest, Mandziy, after receiving 200 blows on the back and having water thrown over him, was then turned over and the police stamped on his chest and beat him on the belly and legs; in his agony he begged to be shot. The police were at the time cooking their meal near by; they took the boiling food and threw it over his wounds. Shortly after this his death was announced by the Polish press, but, unfortunately for himself, he still lingers on in torture. His sister, who lived with him, was then beaten and his house broken up.

In another village there was a Jewish doctor who wished to dress the wounds, but was forbidden to do so. The Polish hospitals have refused to take in the victims, and in many cases the local doctor has fled for fear of arrest, as several doctors found dressing wounds of the victims were imprisoned.

Evidence in support of this statement was given to us by doctors, and a list is in our possession of cases of wounds with names, age, and village of the victims. These include cases of necrosis, hemorrhage, broken ear-drums caused by blows on the head, and gangrene.

In order to prevent medical reports being drawn up the houses of Ukrainian doctors in the towns were searched by the police; even the jam-pots and children's toy-cupboards being searched for documents or photographs. Lawyers, too, were forbidden to take any action in defence of their clients. A number of persons injured, and whose property had been pillaged and looted by soldiers and police addressed themselves to lawyers in Tranopol. For merely taking down statements of their clients' cases they were seized by the police, who searched their houses. Five lawyers were imprisoned. In one case the wife, who acted as her husband's secretary, had helped in drawing up a statement. She was taken to the police station, stripped in front of the police, and imprisoned in various prisons for two months, then in despair and misery she refused all food and was finally released.

In another case the wife of a priest who was severely ill was told by the police to get up, and on being unable to do so was dragged from her bed and beaten until insensible. Her two daughters, aged thirteen and seventeen, were similarly beaten.

Besides damage to persons, immense damage has been done to property. The priest's house in many cases has been wrecked, the furniture and books destroyed. The village reading-rooms, libraries, and cooperative stores have been systematically destroyed. The priests were special objects of enmity.

Naturally, as in all such cases, there were attacks on women. We possess the names of persons and of villages who were mistreated in various ways, and we possess signed statements as to the damage done.

Evidence was also confirmed by other eye-witnesses of the events, women belonging to various women's organizations, by lawyers, deputies, doctors and clergy, in particular by bishops, who have so far been immune from personal violence, and who are in close touch with their clergy and with the inhabitants.

I have read Miss Sheepshanks' report, because I believe it is a true report. If I were to give instances of Polish terrorism, it is possible hon. members would not believe me, but this statement coming from one who has descended from a race that has always stood for humanity, truth and Justice, I do not believe can be in any way refuted.

In Miss Sheepshank's report there are several points to which I wish to draw the special attention of hon. members. In summing up the situation she says that five points must be emphasized. The first point which she mentions deals with the punitive expeditions sent into 800 villages to pacify the inhabitants thereof. Miss Sheepshanks writes:

> This so-called pacification has been carried out with a ferocity which can only be compared to the previous atrocities carried out in the early nineteenth century by the Bashi-Bazouks in the old Turkish territories.

The second point is:

> 2. These atrocities were not punishments inflicted for crime, but were inflicted without trial and wholesale on an entire population.
>
> 3. They were done by command of the government and carried out strictly according to plan, and were not merely the excesses of subordinates.

These points are borne out by the correspondents that were sent to western Ukraine on the invitation of the Polish government.

> 4. The victims were denied all medical assistance.
>
> 5. Every effort has been made to prevent the drawing up of any reports or statistics showing the extent of the repression.

These latter allegations have been corroborated by a former neurologist in the Canadian army. The following is his account as reported in the Winnipeg Free Press under date of December 24, 1930:

[Mr. Luchkovich.]

A story of appalling conditions existing to-day in East Galicia, where the Ukrainians, he said, are suffering persecution at the hands of the Poles, was told to-day by Dr. W. Frederick Dey, of Carslbad, Czechoslovakia, who is a guest at the Fort Garry hotel.

Dr. Dey, who was a resident of Winnipeg following the great war, practising here, has been in Carlsbad, the famous European spa, for the past four years, and is spending his Christmas and New Year's holiday in the city renewing old acquaintances.

In October Dr. Dey was a prominent character in the leading newspapers of central Europe. He told his story of the prominence he acquired in this instance to newspaper men to-day, remarking that the incident behind the news headlines brought him the greatest thrill of his life.

"While on a motor trip through eastern Galicia, I found conditions in this country very apalling." Dr. Dey related. "Ukrainians in many towns and villages were lined up and beaten severely by Poles for no apparent cause whatever.

"I went on a medical expedition. In one village I found 15 Ukrainian people who had been beaten. The Polish doctors refused to attend them and Ukrainian doctors who offered their aid were turned away. While I, with four other medical men, was attending these people, we were arrested and thrown into prison and accused of espionage. We could not communicate with each other, nor with counsel.

"An attempt was made to accuse us as revolutionists, German spies, Russian spies, revolutionary agents, or fake representatives of the League of Nations. However, after an incarceration of 24 hours, we were released through the aid of the British embassy and other officials.

"In the meantime, our living quarters at our homes had been searched, but to no avail, of course. It had been hoped, or expected that papers revealing our identity as revolutionary agents would be found. The incident brought us much publicity in central European newspapers, but we considered ourselves fortunate at not having met the fate of others who had been killed for similar alleged offences."

Dr. Dey is a well known figure in the city. Following the war, he acted as neurologist for the Canadian army and for the pension board.

The imprisonments referred to by Dr. Dey have been carried out in Poland on a great scale. When the prisons were full, the barracks and other buildings were requisitioned. "If," said Miss Sheepshanks, "as is stated by the Polish apologists, this whole affair has been much exaggerated, it is a matter for surprise that they resisted the attempts to ascertain the true facts."

The whole affair has not been exaggerated. Indeed, if my time were not so limited, I could relate to this house instances of Polish terrorism so atrocious, so barbarous and so brutal as to make one wonder why the wrath of God has not yet descended upon the vile perpetrators thereof in just punishment of their crimes. I fail to see, Mr. Chairman, what Poland has to gain thereby, for in the light of European history it has been repeatedly shown that only the most disastrous results come from a policy of forceful sup-

pression such as is now being so horribly exhibited in eastern Galicia. But Marshall Pilsudski and his government of military "pacificators," refusing to profit by the mistakes of the past and shutting their eyes to the handwriting on the wall, have apparently decided to resort to the old imperialistic weapon of military invasion to "pacify" the inhabitants of his country and force conditions upon them which they cannot reasonably, manfully, humanly, righteously and honourably accept. It is exceedingly strange, Mr. Chairman, that the man who proclaimed so vociferously against similar conditions when Poland was dominated by Russia would apply a harsher discipline to subject races now under Poland. While it is true that he has on different occasions made a hypocritical show of political kindness, and that even now Polish apologists at the League of Nations and all over the world are quite clamorous about their desire for fair play towards their minorities, nevertheless it is the growing conviction of an ever-accumulating public opinion that the fair play which Poland offers is the fair play of the boa constrictor, which, having seized its prey and gorged itself, wishes to be left alone in order that it may digest it undisturbed. Such governments, Mr. Chairman, will go to any lengths in concocting excuses for the horrible conditions which exist in their respective countries, and they will stoop to any method in order to squelch the least sign of discontent among the national minorities, the range of their methods beginning with a political persecution undreamed of in Canada, and ending with physical tortures of their suspects of a nature such as one might expect, according to Miss Sheepshanks, from the Bashi-Bazouks of the 19th century. I anticipate, Mr. Chairman, that it will be very hard for hon. members present to believe in the existence of such methods, but nevertheless the allegations are quite true, and these things take place in a country whose representatives never miss the opportunity to assure the world at large of their high ideals and their humane feelings towards those who unfortunately come under their sway.

I have in my possession a letter concerning one, Mr. Filipowicz. In reply to an article on the Polish pogram, in the New York Herald-Tribune, the Polish ambassador in the United States, Titus Filipowicz, stated:

> Poland has a reputation in the world for liberalism and tolerance toward national minorities.

Here is the article to which I referred a moment ago:

Mr. Filipowicz

The following letter was sent on March 9, 1931, to Titus Filipowicz, ambassador of Poland, by the International Committee for Political Prisoners, New York City.

"Sir,—Last fall when we wrote you in protest against the persecution of Ukrainian peasants by Polish troops, your chargé d'affaires replied that these accusations were either "wholly untrue" or "grossly exaggerated." At that time it was further stated that our letter had been forwarded to Poland and that the specific charges which were made would be answered when a reply had been received. This was four months ago. We have not since had the courtesy of a reply.

"We are now moved to write you again because of the incredible statements reported in the press attributed to General Felician Skladkowski, Minister of the Interior, speaking before the Polish parliament on January 27, 1931. He is reported as having justified the methods of "pacification" of the Ukrainian peasants. His statements seem to us ample justification for the charges we made to you and which your chargé d'affaires denied.

"We therefore restate our former charge, together with others which have recently been substantiated, as a standing indictment of the present Polish regime.

1. Over 10,000 persons, including most of the Ukrainian representatives in parliament were arrested and imprisoned. Few, if any, were guilty of any crime. No attempt was made to discover the persons guilty of the alleged incendiary acts.

2. Brutalities unequalled in many years were inflicted on the entire Ukrainian population. Cavalry raids on over 500 villages wrecked homes, libraries, and cooperatives, etc. Many inhabitants were beaten into unconsciousness. In one known case a man who had received a severe beating, was dragged half-conscious for a long distance behind an officer's automobile.

3. Medical aid was refused to the victims, even in serious cases. Polish hospitals refused to care for the wounded.

4. All efforts to obtain data on the extent of these brutalities were opposed. Negley Farson, an American newspaper correspondent for the Chicago Daily News, was arrested for going to East Galicia in spite of the government's invitation to foreign correspondents "to go there and see for themselves." In an article which appeared in the Nation on January 7, 1931, he describes what he saw as follows:

". . . . In a makeshift hospital. . . . I saw eleven peasants in such a state that I could hardly bear to look at them. Their buttocks had been beaten to a pulp. Some of them had been lying there for five weeks, attended by the kindly nuns. Bandages were removed showing raw red septic sores some six inches in diameter that it seemed nothing less than extensive grafting could ever make whole again. They were merely a few from the hundreds of villages that had been "visited" by the soldiery. One man of sixty-two told me how the cavalry had ridden into his village driving the peasants before them like cattle. The peasants had been herded into a shed where twenty of the males were laid across planks and flogged with heavy sticks. Some of them got two hundred strokes. When a man fainted he was revived by dashing water on him and flogged again. Fifty other

peasants were coming to this hospital to have wounds treated. Hundreds of other lay in far villages, unable to receive medical attention as the Ukrainian doctors who tried to get them out were arrested. This is a matter of fact.

"It is also a fact that not one of these people had a single charge against him. They had merely been 'pacified' by the Poles."

"We again lodge with you our solemn protest against such barbarous methods. Poland is bound to stand condemned in the eyes of the civilized world not only for such wholesale brutality and violence against a defenceless people but the further shame of the public justification of such procedure by a responsible minister of the government."

We are, Sir, on behalf of the committee,

Very truly yours,

Roger Baldwin,
Chairman.

Arthur Garfield Hays,
Norman Thomas,
John Haynes Holmes.

One of the countries to come under the sway of Poland was the western Ukraine, comprising the provinces of Cholm, Pidlasie, Polissie, Volhynia, and eastern Galicia, all inhabited predominantly by Ukrainians. The storm centre of the present dispute, however, between Poland and the Ukrainians, is eastern Galicia, a part of that Galicia (Austrian Poland) which, in the words of M. A. Hallgren, in The Nation, of November 5, 1930:

—harboured Pilsudski after two insurrections that he led against Russian despotism in 1905 had failed. It was from Galicia that he continued to direct active resistance against the Czar and it was from the workers and peasants of Galicia that he drew his chief support when, with the elimination of the St. Petersburg autocracy and the defeat of the German and Austrian-Hungarian empires, his golden opportunity arrived and he was able to proclaim himself on November 12, 1918, head of the new Polish state. He made a mistake, however, in believing that he had all of Galicia behind him. The way to a unified Polish state was blocked not only by the bitter opposition of the landed nobility, the very landed gentry whose property his troops are now pretending to defend in Eastern Galicia, but also by fervent desire of the Ukrainian peasants and workers for national independence.

Taking the allied promises and the Wilsonian principle of self-determination at their face value, the Ukrainians on October 18, 1918, had established the west Ukrainian Republic with Lemberg as its capital. When the republic of Poland was proclaimed at Warsaw twenty days later the Ukrainians refused to yield their newly won independence to satisfy the ambitious Pilsudski, whereupon he sought to punish them by occupying Lemberg on November 22. The Ukrainian government fled to Vienna and eastern Galicia was brought into the new Polish state.

This military conquest of a people who had sought only to determine for themselves what sort of government they should have was ratified by the allies, although a vague promise of ultimate independence was still held out to the Ukrainians. The Peace conference assigned eastern Galicia to Poland for twenty-five years, with a provision for local autonomy. At the end of this period the League of Nations was to decide its future.

I might inform the house that Poland was thoroughly dissatisfied with the above arrangement because it did not coincide with her ancient imperialistic yearning for a united Poland from sea to sea. It was therefore the annexation of eastern Galicia, hook line and sinker, lock, stock and barrel, which they sought without any strings attached to it, or no annexation at all. So thoroughly has Poland been imbued with her centuries-old dream of empire that not even the stipulations affecting racial, religious or linguistic minorities contained in the treaty signed between Poland and the allied and associated powers on June 28, 1919, were ever intended to be carried out by her. Indeed, her main plea in the meantime had been, as it always was, the bogey of a bolshevist invasion. Whether this was or was not a motivating reason, we find the allies four years later rectifying and confirming the northern, southern and southeastern boundaries of Poland. Mr. Hallgren continues:

The Ambassadors' conference, sitting in Paris on March 14, 1923, took the opportunity to confirm in perpetuity the sovereignty of Poland over eastern Galicia, and in doing so to repeal the promise of independence, the twenty-five year mandate, and the provision for local autonomy.

The stolen province has proved somewhat indigestible. The history of its people in the past decade has paralleled the history of most European minorities, but with one notable departure. Other minorities have had mother countries to plead their cause at Geneva; the Ukrainians of eastern Galicia have had no one to speak for them before the League of Nations. According to American correspondents, their petitions and complaints invariably find their way to the scrap basket, as there is no one at the league secretariat who cares anything about these peoples.

While it is true that the League of Nations does not provide adequate facilities for the proper hearing of such cases it does not follow that these facilities should not be provided, and that these cases should not be heard. The universal plea for world peace demands a solution forthwith of the minorities question.

I have in my possession an extract from the Manchester Guardian in this respect:

The Polish terror in the Ukraine is now worse than anything else in Europe. The Ukraine has become a land of despair and desolation which is all the more poignant because the rights of the Ukraine have been guaranteed by international treaty, because the league has been altogether deaf to appeals and arguments, and because the outside world does not know or does not care.

I am quite aware, sir, that the avenues leading to a proper solution of this vital problem are full of impediments and obstructions, but they are by no means absolutely insurmountable. Our Canadian representatives to the League of Nations at least can do what lies within their power to secure an imperial commission to investigate and report on the alleged Polish atrocities. Canada was one of the signatories of the 1919 treaty between Poland and the allied and associated powers guaranteeing certain rights to minorities, and should therefore ask that these rights be observed. This matter has already been considered by the parliament of Great Britain, as is shown by the following editorial culled from the Manchester Guardian of December 17, 1930:

Ukrainians in Poland

M.P's Petition to League

Mr. Henderson Asked To Take Action

Nearly sixty Labour and two Liberal M.P's have signed a petition which they ask Sir Eric Drummond, the secretary general, to lay before the League of Nations on behalf of the Ukrainian minority in Poland, alleging infractions, and the threat of further infractions, of the treaty signed between Poland and the associated allied powers on June 29, 1919, and placed under the guarantee of the League of Nations. They ask that the league council call a committee to consider the petition and for an impartial inquiry into the facts.

With the petition the signatories sign a statement on the Polish elections and the Ukrainian minorities in Poland, to be presented to the foreign secretary, Mr. Arthur Henderson. This registers a protest against the undemocratic methods employed by the Polish government in the recent elections, both for the Polish sejm and for the Silesian diet. Whilst admitting that the elections are on internal matter, we are asking you to use your influence through diplomatic and other channels in the direction of democratic government and an immediate release of political prisoners.

The statement asks Mr. Henderson to raise the question of the treatment of the Ukrainian minorities before and during the elections with the League of Nations, and "with regard to the terrorism which is reported to have been taken place on the German-Polish frontier" requests him to ask both parties to refer their differences to a conciliation commission allowed by the Locarno treaties.

Mr. MACKENZIE (Vancouver Centre): Was any action taken by the British House of Commons?

Mr. LUCHKOVICH: They have appointed a committee of three which is looking into these provisions. I do not know what the result of their meetings has been, but I understand the council will sit sometime in May and that the whole matter will be discussed at that time.

Mr. BENNETT: On May 11.

Mr. LUCHKOVICH: The above petition deals with the alleged infractions of the treaty signed on June 28, 1919, between Poland and the associated and allied powers. It also calls for a committee to consider an impartial inquiry into the facts. From information that I have gathered from the Ukrainian Veterans' Association, the Ukrainian Self Reliance League, the personal experiences of Miss Sheepshanks and Doctor Dey, the accounts of foreign correspondents in Poland, as well as from other reliable sources, I have no doubt that there are very serious infractions of the provisions of that treaty. As proof thereof witness the diabolical methods of racial extermination revealed by Miss Sheepshanks. The manner in which the punitive expeditions referred to in her report were carried out against the Ukrainian minority in Poland, the fiendish application of collective responsibility for individual acts of unsubstantiated sabotage, the wholesale punishment of innocent men, women and children—all constitute an absolute infringement of the following provision of article 2 of the above treaty:

Poland undertakes to assure full and complete protection of life and liberty to all inhabitants of Poland without distinction of birth, nationality, language or religion.

Miss Sheepshanks says that the repressive measures were ordered not because of individual acts of incendiarism but in order to terrorize the population into voting for the government list in the elections. Imagine what would happen in Canada if any party tried to gain power that way. Otherwise why should these expeditions have been sent into villages where no acts of sabotage or incendiarism had ever occurred? Why were 20 Ukrainian members of the Polish Senate arrested and subjected to frightful treatment in a Polish prison? Why was election literature in favour of Ukrainian candidates prohibited, ballot boxes plugged, voters terrorized and struck from lists, and election candidates imprisoned without charge or trial, if it was not to facilitate the election of Pilsudski and his bloodthirsty henchmen? Is it not, sir, a plain violation of article 7 of the above treaty which provides that:

All Polish nationals shall be equal before the law and shall enjoy the same civil and political rights without distinction as to race, language or religion.

The methodical terrorization of the Ukrainians included the indiscriminate extermination of athletic and reading clubs, cultural and economic associations, and schools, both public and private.

Notwithstanding the stipulation under article 9, ensuring the use of the Ukrainian

language as a medium of instruction in the primary schools, I might add that out of over 3,000 Ukrainian schools that existed when Poland took over Eastern Galicia, only about 400 survived her tender care; and out of 17 Ukrainian high schools, the few that are left are being gradually forced to succumb to the influence of a harsh and methodical Polonization.

The Ukrainian colleges—

Says a correspondent.

—affiliated with the Lemberg university were closed and the Ukrainians applying for admittance were put on quota and were asked to sign very humiliating declarations.

These shameful conditions caused the scattering of the Ukrainian students seeking higher education all over Europe, while many of them, not being able to finance themselves in other countries of Europe, were forced to form a secret Ukrainian university, which was incessantly persecuted by the Polish police. It was quite a usual occurrence for whole classes of students to be arrested en masse and paraded through the city to jails to the accompaniment of the jeers of the Polish populace.

On taking over the Ukrainian territories, the Polish government signed a special pledge to create a separate Ukrainian university by the end of October, 1924. So far the government has not even voted enough money to buy a load of bricks for that university. Just imagine! Seven million Ukrainians carrying one-third of the burdens of the state,—without a university."

Churches, libraries, reading rooms, and economic institutions present the same deplorable picture. If hon. members could for a moment visualize the Royal Canadian Mounted Police demolishing our places of worship, the public libraries, the homes of our families, the central wheat pool office in Winnipeg and all other cooperative buildings in the west, they would get some idea of the terrible and wanton destruction of property that is being carried on in eastern Galicia. What makes the situation more tragic is the fact that the very proprietors of these dearly acquired possessions were forced by the Polish Uhlans to pull down their own buildings and perform all this destruction on their own property. A dispassionate observer of these uncalled for depredations is reported to have said:

If the Poles were as capable of building as they are of destroying there would be no need for such excesses in Poland.

I regret that I cannot complete my remarks for lack of time.

The CHAIRMAN: By unanimous consent the hon. member may proceed.

Mr. BENNETT: By the brief intervention of a single member it would be possible for the hon. gentleman to go on again.

[Mr. Luchkovich.]

Mr. LUCHKOVICH: May I quote the Polish Ameryka Echo, published at Toledo, Ohio. In its issue of November 30, 1930, it has the following:

All those punitive military expeditions into peaceful Ukrainian villages, in particular, into villages where no acts of sabotage were committed, have, by their savage conduct, beatings and tortures of innocent people, achieved this —that Poland has alienated the whole civilized world, while the Ukrainians have been made her irreconcilable enemies.

With respect to this charge of incendiarism, allow me to read an article that appeared in the Daily Illustrated Courier of October 4, 1930. I may say that this is one of the most widely circulated and the most extreme chauvinistic newspaper in Poland. It says:

For some months we have been calling the attention of the public to the fact that the recently observed insurance policy, based upon the increased valuation of movable goods and carried on for the purpose of securing higher premiums, gives a direct incentive to incendiarism. The facts of daily experiences now confirm our prediction of consequences, which can to-day be observed in every part of Poland. . . . . Conflagrations have recently assumed great dimensions. In a whole series of municipalities the farms of large estates or the corn-stacks standing on such estates have been victimized. It is significant to note that in the majority of cases the persons found guilty of originating the fires have been none other than the owners of the damaged objects. The fires were crimes of arson perpetrated for gain.

This quotation, as I say, comes from the most chauvinistic newspaper published in Poland. It will be observed that it says that these burnings were not limited to any particular district where the Ukrainians were predominant, but happened throughout the length and breadth of Poland.

My time, sir, is too limited to go into any detail with respect to this greatest of modern persecutions. Suffice it to say that humanity, truth and justice demand that this bestial policy of national extermination shall cease forthwith. Hon. members will no doubt be told that the reasons for these military visitations was merely to "pacify" the inhabitants of western Ukraine; but how the Nero of modern time, Marshal Pilsudski, can justify the excesses of his debauched and degenerate soldiery is beyond all comprehension. For in the light of all that is human and ethical, in the light of our standards of what is right and just, this attempt by Poland to liquidate the Ukrainian question by means of physical torture and complete destruction of cultural and economic possessions, this attempt to divest by forceful means a minority of seven million Ukrainians of a natural and elemental attachment to their religion, language,

and culture, will go down in history as one of the most hideous, despicable, heinous and diabolical crimes ever perpetrated on a defenceless, peaceful and self-respecting people.

How can this house justify the murder of defenceless women and children? How can this house justify the wanton demolition of public and private property? In a word, how can this house justify the cunningly planned extermination of a whole race merely to gratify the insatiable and historical appetite for lust and rapacity of a ruling class that has always been stigmatized as the most reckless, dissipated, cruel and incompetent in Europe?

The world cannot expect the Ukrainians to sanction their own crucifixion; on the contrary it would be surprising if they did not use every effort to take the bleeding body of western Ukraine off the cross while life still exists and place it in the hands of a competent world physician for restoration to health and well being; for every race has the right to live according to its rights and traditions, and certainly no reasonable person will condemn the Ukrainians on this score for their unwillingness to commit national suicide.

The League of Nations has the necessary restorative powers if it only cares to exercise them. According to a treaty signed between Poland and the allied and associated powers, she was bound by guarantees to grant the Ukrainians equal political rights, local self-government, and full freedom with regard to church matters, cultural, educational and economic development. These pledges and obligations were assented to and signed by the representatives of the Polish Government with a great flourish and with many promises to live up to them. But as soon as the Poles found themselves firmly entrenched in their domination of the whole country these same pledges and obligations were relegated to complete oblivion. In view therefore of the gravity of the situation and of the existence of a treaty binding Poland to certain minority guarantees, to which Canada was a signatory, I respectfully urge on behalf of three hundred thousand Ukranians resident in Canada that this matter be submitted to the council of the League of Nations in order that that body might institute an impartial inquiry by appointing a commission to investigate the whole situation in eastern Galicia, and take whatever steps it deems necessary to safeguard the rights of minorities in Poland.

Right Hon. R. B. BENNETT (Prime Minister): No doubt the house expects the government to make a statement at once with respect to a matter of this character. That my hon. friend (Mr. Luchkovich) should bring the matter to the attention of this house, having regard to the fact that Canada is a member of the League of Nations and that, as he has told us, he himself has a personal interest in those concerned, is of course not surprising. But the extent to which this house may interfere or deal with such a question is an altogether different matter.

Years ago the parliament at Westminster considered alleged atrocities in Bulgaria and other parts of Europe. It has not been unusual at Westminster for members to discuss the treatment accorded by a country to certain classes of its citizens. In this country it is perhaps within the memory of all who have read the debates of the past that so eminent an authority as the Hon. Edward Blake, to say nothing of the Hon. John Costigan and others, thought that this house had full right and authority to pass resolutions with respect to Ireland. But in this instance Canada occupies a different relation to Poland and to other parts of the world from that which it did prior to the great war. Canada is a member of the League of Nations, and that being a tribunal in one sense, and having power to set up tribunals in another sense, which it has done, it would appear to me that all that can be done is to bring to the attention of that body, of which we are a member, the fact that certain representations have been made. It must be in the mind of every hon. member of this house that there are conflicting views as to what has transpired in Poland. On the one hand, the allegations to which my hon. friend has referred have been given wide publicity through the press and otherwise. On the other hand, Poland has been equally strong in her denials. Poland has declared that what was done was to stamp out incendiarism and various other offences in the communities affected. It is not for me, or, in my opinion, for this house to pass judgment upon the sufficiency of the evidence to establish either the charge, on the one hand, or the defence, on the other. But it might be important to direct attention to the fact that, in the very nature of things, it was to be expected that in the treaty of peace, when full regard was not had to self-determination in the sense in which that term was thought to be used by those in authority, some provision would be made safeguarding the rights of minorities. Accordingly, Article 8 of the treaty of Versailles, signed on July 28, 1919, provides that:

> Polish nationals who belong to racial, religious or linguistic minorities shall enjoy the same treatment and security in law and in fact, as the other Polish nationals. And

particularly they shall have equal right to establish, manage and control, at their own expense, charitable, religious and social institutions, schools and other educational establishments, with a right to use their own language and to use their religion freely therein.

That right, conceded to the minorities in what is now Poland, or the larger Poland that resulted from the military operations in eastern Galicia, is the basis of the claim now made to the League of Nations.

There arises, then, the question as to how those rights may be protected by the League of Nations. And that question is one of very considerable difficulty. The truth is that no general system of jurisprudence has been established applicable where there are racial or linguistic or religious rights that are in any sense assailed or attacked. All that the league aims to do is to facilitate the solution of the problems that arise out of the existence of minorities in certain countries that enjoy the benefit of the provisions of treaties of peace and other treaties to which I might refer.

Now, the executive organ of the league is its council; and the council of the league from time to time, when cases are presented for its consideration, remits inquiries to committees or bodies of experts to make the necessary investigations. Petitions, of course, have been sent to the league from Canada, and large numbers of persons in this country have signed them. The hon. gentleman states that three hundred thousand Ukrainians in Canada are affected. These Canadians finding their kinsmen and relatives complaining of breach of the treaty, have of course appealed to the League of Nations to safeguard the rights, as they conceive them, of their kinspeople in Poland. The council has laid down certain rules with respect to petitions and their receivability. These petitions:

(a) Must have in view the protection of minorities in accordance with the treaties;

(b) In particular, must not be submitted in the form of a request for the severance of political relations between the minority in question and the state of which it forms a part;

(c) Must not emanate from an anonymous or unauthenticated source;

(d) Must abstain from violent language;

(e) Must contain information or refer to facts which have not recently been the subject of a petition submitted to the ordinary procedure.

These are the requirements with respect to petitions. Now, from 1923 to 1930, it is idle to deny that there has been a great conflict in Poland between what you might call the Ukrainian nationalists and the Polish authorities; and in 1930 the agitation reached a point which it had not previously touched. The results, as indicated by the Polish authorities and the Ukrainians, have certainly been very contradictory. On the one hand, the Polish authorities say they have restored law and order and have stamped out incendiarism and offences of that kind. On the other hand the Ukrainians have represented, as the hon. gentleman has just observed, that what has happened is part of a campaign for the destruction of their nationality. On that state of facts it became necessary for the council to take some action, and so in the end a committee of inquiry was set up, which committee is now functioning, consisting of representatives of the United Kingdom, of Norway and of Italy. It has met twice during recent weeks and I understand will meet again before submitting its report to the sixty-third session of the council, which is to meet in Geneva on May 18. This committee is making the necessary inquiries to enable the council of the league to be seized of the facts and to determine what, if any, action should be taken.

Under these circumstances I am sure the hon. gentleman will be the first to see that we in this parliament, of all places in the world—Canada being a member of the league—cannot take any action at this moment for by so doing we deny the authority of the very organization to which we belong, as we ourselves were parties to the setting up of the committee for the purpose of taking the action suggested. We cannot say that the committee will be ineffective or insufficient; we cannot, it seems to me, do more than support the council in any action it takes—it being a body of which we are a member—for the purpose of ascertaining the truth of the allegations made. I need hardly repeat that the Polish authorities have denied in very unequivocal language the accuracy and truthfulness of the charges made against them.

There is one other fact to which I think attention should be directed, and it is this: recently large numbers of petitions have been sent from this country to the league at Geneva. Recently one of the petitions was denied on the ground that the matters therein alleged had already been presented to the league and were now under consideration by the committee to which I referred. Within the last ten days the government has been advised that the petition forwarded by the Ukrainian Self Reliance League of Canada has been declared irreceivable because it contains no information not already included in seven petitions which are at present receiving the consideration of the

committee appointed at the last council in January to examine Ukrainian charges of treaty violations.

I think the hon. gentleman has discharged to the full his obligation and responsibility to those in Canada who are affected, and however strong may be his views, he must, and I think he will, like all of us, realize that this is not the tribunal which can hear the defence of those who are charged with these offences. That tribunal is one which we in common with other members of the league have set up to make a report upon the facts. When that report is made the council will take such action as may be necessary to enforce the claims of the minorities to the extent that their rights have been violated.

May I say in conclusion that the House of Commons of Canada has to be doubly careful to-day, more so than was necessary in days gone by. In the past we could readily make declarations touching upon and affecting the rights of peoples in other countries, but at the moment, having submitted to the jurisdiction of the League of Nations and having exercised with pride a very considerable influence in that body, we must in the very nature of things be careful that what we do does not reflect upon the action taken by a body of which we are a member, and especially in connection with a charge that one of our fellow members has failed to recognize its responsibilities. Our responsibility is to strive to see that such action is taken in the council as will protect the rights of minorities under a treaty which ensured their rights and, at the same time, to do so in such a way as not to cast discredit or suspicion upon the body known as the League of Nations, in which, as I have said, we are members and which is charged with responsibility under the treaties. It is for that reason I think we must speak with, shall I say moderation, and that all we can usefully do is to press upon the council the necessity of taking such prompt action as will ensure the vindication of the rights of those who claim they have been deprived of the privileges to which they are entitled under the terms of the treaty. In doing that I am sure we will have the assistance and support of our fellow members in the league; for experience has shown, and the record of the proceedings of the league has indicated, that in every instance where a matter of this kind has been brought to the attention of the council and a committee has been appointed and a report made, it has not been slow or hesitant to take such action as the necessities of the case warrant.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Chairman, some of my Ukrainian friends asked me to support the proposal of the hon. member for Vegreville (Mr. Luchkovich). To this request I very gladly acceded because it seems to me that we have here a matter which is of such importance to a large number of our fellow Canadians that we cannot afford lightly to pass it by. I know there are some who will say: Why should a matter of this kind be discussed in the House of Commons? I think we have the best answer in the fact that we have in Canada some 300,000 Ukrainian-Canadians. Let me remind the committee that that number is almost four times the population of Prince Edward Island. Few people in eastern Canada recognize how important that population is to Canada and how necessary it is for us to see that they have no grievance.

There is a possibility that this discussion may tend to intensify the racial feeling which exists already between the Ukrainian and Polish communities in Canada. I recognize that danger, and anyone who has lived among the Ukrainians and Poles will recognize it also. Some have felt that we ought not to open this question, but in discussing this matter with my Polish friends—I have a number of Polish friends in Canada—as well as with my Ukrainian friends, I have tried to put it to them that after all the Polish people resident in Canada are not distinctly responsible for the acts of the Polish government and that, therefore, they should not take the matter in any personal way. I have taken the position that true patriotism does not consist in justifying the government of my country, "right or wrong." Last year I mentioned some of the atrocities which according to my information were being perpetrated in India, and some people rather resented the fact that I should mention those things in the house. Some of the newspapers were kind enough to suggest that I was anti-British and raised these questions because of some anti-British feeling. That is not so, because these matters are being freely discussed in the British papers. In England it is a matter of the policy of the British government and I take it I am a true Britisher when I try to remedy those things which I find to be evil. I do not take the ground that we in Canada have any special responsibility with regard to the conditions in India; but being members of the league, we are interested in a general way and we should assume our share of the responsibility In my judgment, we are truly patriotic when we seek to remedy any evils which may exist in our country or for which our governments may be responsible. I think my Polish friends in Can-

ada will come to look at this matter in that way; for many of them are as deeply shocked as anyone else at what they read as to what is going on in the old country. In this connection I could not but think of what was said many years ago. Franklin asserted at one time: "Where liberty is, there is my home;" to which Thomas Paine replied: "Where liberty is not, there is my home." It seems to me that in our interrelated world every one of us is responsible to a certain degree for whatever goes on in any part of the world. That is the situation which we are coming to realize more and more clearly. We cannot disregard our responsibilities toward humanity.

Let me urge, too, that in the house we should show an interest in our fellow Canadians of other races. We of Anglo-Saxon stock or we of Latin stock have our own particular problems. I think every Canadian must recognize that we of the English-speaking group ought to try more than we do to understand our fellow French-Canadians. I regret exceedingly it is difficult for some of us who are unable to speak French, especially those of us who are middle aged, to enter into the cultural life of our French-Canadian fellow citizens.

But this is what I should like to impress upon the house, that long before we have developed a thorough-going understanding between the French and English portions of our community, we have had thrust upon us those other and exceedingly complicated problems which have arisen on account of the very large immigration to this country of peoples from various countries of Europe. If we are to succeed in incorporating these different peoples into our Canadian nationality, we shall have to try to the utmost to have a better understanding of them than most of us have at the present time. I wonder if I might refer to a book that has recently been published. I do this for the benefit of some Canadians who may not know of it. It is entitled The Ukrainian Canadians, by Charles H. Young. Doctor Helen R. Y. Reid, of Montreal, in writing a foreword to this book, says:

> Finally the committee believes that a positive change of mind and attitude on the part of old Canadians towards the new Canadians is both due and necessary, not only for the unity of the country and for the development of a healthy Canadian spirit, but also for the promotion of international friendships and world peace. A racial study such as this which we now offer would provide for a better understanding of the values, cultural and economic, contributed by each race to our Canadian civilization, and should, therefore, make for the establishment of better relations between the old and the new peoples of Canada.

[Mr. Woodsworth.]

I think we have a really significant incident to-day when the hon. member for Vegreville, the first Ukrainian to sit in this Canadian house, comes to us and asks us to take up a matter which is of vital concern to that group from which he comes. This is an indication of a new condition into which we are emerging. It is an earnest of what may be possible in the future, that instead of these grievances being hidden away and talked about in secret, a prominent and well educated Canadian of Ukrainian stock can come into the House of Commons and from his seat present what he believes to be a matter of vital concern to the national group from which he comes.

Some of our Canadians I find take this attitude; let these people who come to us leave the old world behind. I confess sometimes I have a little bit of sympathy with the feeling that we should leave Europe behind and build up a new civilization on this North American continent. But I would point out that Britishers have not done that, and when the great war arose in Europe, tens of thousands of British born went back to their homes in order that they could, as they thought, defend the motherland. I would suggest that the man who forgets his fatherland and who is indifferent to the welfare of his own brothers and sisters will not make a very good Canadian citizen. We ought to bear that in mind. I have heard those who say: Let these people remember they are Canadians; let them forget the old country. Surely in this country we value men who do not forget the old, but rather bring with them the very best of the old. You cannot divest yourself of the old associations and traditions and be worth anything. The Englishman remembers the country from which he came; the Scotchman remembers the country whence he came. We value them because of that. The same thing is true with regard to Ukrainians or peoples of other nationalities who have thrown in their lot with us.

Let me say this with regard to these Ukrainians who have come to Canada: more than 10,000 of them voluntarily enlisted from western Canada at the time of the great war. If you talk of loyalty, that surely is an indication of loyalty to British institutions and as they conceived it and as most people did at that time; they were willing to answer the call which went forth. Just in passing, let me say I think it was one of the most disgraceful things that we on our part did not understand the situation, and while those 10,000 young men were enlisting, we deliberately disfranchised many of their fathers and

brothers. This just indicates the lack of knowledge and lack of sympathy that we have in regard to these newer Canadians. One of my Ukrainian friends said at the time; "You call us enemies of Breat Britain, we who are from Austria. Austria was an enemy of ours long before she was an enemy of Great Britain." I felt I could but hang my head in shame as I saw the way in which we misunderstood and mistreated these people. Not that we did it deliberately, but we did it ignorantly. Now the time has come when we shall have to take these racial and social questions more seriously.

Let me point out that if these matters in Europe are not settled on principles of justice, we are bound to have difficulties arising in this country because these old world difficulties will be reflected here. Out in Manitoba, Saskatchewan and Alberta, there often occur community quarrels. Why? Simply because the Ukrainians are reading Ukrainian papers, the Poles are reading Polish papers, the Germans are reading German papers, and so on, and they are following in detail all these things that are happening in the old country. If peace and justice are not established in Europe, we shall have the same old battles fought out in this country. When we so readily accepted hundreds of thousands of immigrants from Europe, we did not know all the responsibilities which we were going to have to shoulder because of their coming here. The Europeans are here and we shall have to deal with the different problems which their coming presents.

Looking at the matter from a broader standpoint, I take it that we Canadians must come more and more to think internationally. The forefathers of most of us Canadians of the older stocks lived here before us for several generations in comparatively isolated communities. We were removed from the main world currents. But particularly since the war we have been drawn into those currents and when after the war Canada became a member of the League of Nations, we definitely took upon ourselves international responsibilities. I am not quite sure that the Prime Minister was correct in his statement with regard to what it was possible for us as a nation to do in this matter. Let me point out that according to the treaty, article 11:

It is also declared to be the friendly right of each member of the league to bring to the attention of the assembly or the council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.

Mr. BENNETT: I am sure the hon. member realizes that I am aware of that provision, but action has already been taken. The petitions having been presented and the committee set up, I said that we should not prejudge a matter that was sub judice.

Mr. WOODSWORTH: The Prime Minister may be technically correct, but, after all, these petitions were presented by private individuals.

Mr. BENNETT: By organizations, as well.

Mr. WOODSWORTH: The petitions were presented by private organizations. I am not suggesting that we in this house can decide whether the charges made can be substantiated or not; but it does seem to me that we as a nation might make our representations to the League of Nations, either to the assembly or to the council. I think that that is a possibility under the clause which I have read.

Mr. BENNETT: They were made—in January last—and the committee was set up in accordance with the representations.

Mr. WOODSWORTH: But if I am rightly informed, they have been made by private organizations, and not directly by the government.

Mr. BENNETT: But Canada's representatives were a party to the representations. The petitions were submitted; some were received, some declined; and the committee was set up in consequence of the complaints made.

Mr. WOODSWORTH: It may be that we have done all that we could. My submission would be that under clause 11 it is still competent for this house to take action and make representations with regard to this matter. Let me read one other clause of the Treaty of Peace. This will be familiar to the Prime Minister, but perhaps not so familiar to all the members of the house. Article 23 reads:

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the members of the league:

(a) will endeavour to secure and maintain fair and humane conditions of labour for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations.

So I take it that we are quite within our rights in taking any opportunity that we can of representing to any other nation any conditions which are liable to cause a breach of

international peace, or of bringing to their attention any conditions which may bring hardship to any section of the community.

I am not going to follow the hon. member for Vegreville in any detail. I think he has shown that there is very good ground for believing that the rights of the minorities in Poland have been violated and that the treaty has been broken. Let me point out that, after all, Poland itself is more or less an arbitrary creation. The Poland that we have to-day is not the Poland that once existed, and I think that this new state is one of the big blunders of the peace treaty. We have set up a country with centralized powers, and we have relegated the minorities in that country to a very inferior position indeed. But aside from this, it seems to me that there is abundant evidence to show that the treaty has not been strictly observed. I think there is a sort of presumptive evidence to that effect in the fact that there has been a great deal of difficulty experienced by other minorities in Poland. The members of the house may remember that the German minority have had trouble with the Polish government. Some months ago a committee was set up to deal with the charges brought by the German minority in Poland, and this was the report of the committee. I read from the "Monthly Summary of the League of Nations" for January, 1931, dealing with the sixty-second session of the council:

The Japanese representative, M. Yoshizawa, submitted a report on the position of the German minority in the Voivodies of Silesia, Poznan and Pomorze. The report, which was adopted by the council on January 24, 1931, reads as follows:

I shall make only two or three excerpts:

I should now like to consider the second element in the question, namely, that relating to the attacks alleged to have been made on the persons and property of members of the minority. The "Volksbund" petition gives a detailed account of 255 cases of this kind. I do not think I should now enter upon a detailed consideration of these cases. No one has denied that attacks of this kind took place, and that such attacks were sufficiently serious and widespread to justify the conclusion that there was in numerous cases an infringement of Article 75 and 83 of the Geneva Convention.

Then further:

As to direct responsibility—the Polish government has informed us that all the cases mentioned in the "Volksbund" petition have been the subject of thorough inquiry. We are told that as a result of those inquiries 125 cases were brought before the courts, that in 28 cases the public prosecutor of the republic instituted proceedings, and that in 10 of these the competent courts have already pronounced judgment. It is stated that disciplinary action has been taken against 17 officials.

[Mr. Woodsworth.]

Again:

Further, the council will desire to receive from the Polish government, before its next session, a complete and detailed statement of the results of the inquiries ordered in these different cases, and also of any penalties imposed and measures for compensation that may have been taken in consequence of these inquiries.

Again:

It is, in any case, essential that the German minority in the Voivodie of Silesia should regain that feeling of confidence which, unfortunately, seems to have been profoundly shaken, but without which it would be impossible to establish between the minority and the state that cooperation which, in the treaties and the resolutions of the assembly and the council of the League of Nations, constitutes a duty equally imperious for the state and for the minority concerned. The council will certainly desire to be informed in due time before its next session of any decisions which the Polish government may have felt right to take in this matter.

As was pointed out by the hon. member for Vegreville, the trouble is that the Ukrainian people have no national home, they have no great national state to back up their petitions, and so it is doubly incumbent on the other members of the league that they should take an active part in pushing forward this investigation.

It is not my desire to endeavour to substantiate in any way the charges which have already been made. Any hon. members who have read the Manchester Guardian must have noted the letters and articles which have been appearing in it for months. We are not so near the scene, of course, and we are not in so good a position to judge, but I note that a very large number of the members of the British House of Commons have taken an active interest in this matter. Among others I note the names of A. Fenner Brockway, Rhys Davies, Commander J. M. Kenworthy, Cecil Malone, M. Phillips Prince, Wilfred Wellock, and many other well-known members of the British house. With these statements before us, and with the information which has been brought to us to-day by the hon. member for Vegreville, we would be justified in taking whatever steps are possible. It may be that the Prime Minister is quite correct, and that all has been done under the machinery of the league that is now possible, but I would urge that the government itself should insist that there be no delay in making the fullest investigation possible.

Anyone who has been closely in touch with the Ukrainian community in Canada must realize that our Ukrainian citizens feel that this is a very, very important matter. It concerns the welfare of their brothers and sisters who are still living in Europe.

Mr. BENNETT: I trust that the hon. member heard my statement that the report of the committee was expected to be made to the council on the 18th day of May.

Mr. LUCHKOVICH: If I may interrupt, did I understand the Prime Minister to say that the committee of three was to investigate whether the petitions were correct according to the regulations set up by the league, or whether the committee was to make an investigation into the actual brutalities?

Mr. BENNETT: The question of the receivability of petitions is already provided for by regulations which I read, and the committee is making a report upon its investigations of the facts.

Hon. ERNEST LAPOINTE (Quebec East): I desire to say one or two words in connection with the protection of minorities. First may I say that the hon. member who has brought this matter to the attention of the house has made a most vigorous and able presentation, and the facts, if they are as he has described them, do not speak very highly for the present state of civilization. Of course, as the right hon. Prime Minister (Mr. Bennett) has stated, there is another party to the difficulty, and that other party does not represent the facts in exactly the same light. However my hon. friend has said enough to justify the government's bringing the matter before the council of the League of Nations, pressing it and seeing that a proper investigation is made.

The matter of trouble in eastern Galicia first came to my attention in a rather strange manner, and I cannot resist the temptation to relate the incident. In 1922 I had the honour of being a member of the Canadian delegation to the League of Nations, accompanying the late Hon. Mr. Fielding. On the first day of the meetings of the assembly I received at the hotel a card on which were written the names of three men who represented themselves to be delegates from eastern Galicia. They were shown to my room, and before Mr. Fielding and myself they pleaded their case very eloquently. Two of them spoke neither French or English, but one spoke very good French and fairly good English. After we had discussed the matter with them for some time and had undertaken to discuss it with other British delegates, the one who had been speaking addressed me as follows: "Does not Your Excellency remember me?" Hon. members should take note of the fact that in Europe all ministers are called "your excellency." In a most humble way I replied, "Have I ever seen you before?" He said, "When Your Excellency was in his last year at the classical college of Rimouski I was in my first year." "Well," I said, "you are from Rimouski?" He said, "My name is Jean, and I was born in St. Simon de Rimouski." I said, "If your name is Jean and you were born in St. Simon de Rimouski, drop the 'Excellency' at once." He happened to be a young priest who was completing his education in Europe when the war broke out. He was in Galicia at the time and, having to remain there, had become one of the leaders of the nation. I believe that incident tends to show that Canadians can be successful everywhere.

Mr. BENNETT: What was his nationality?

Mr. LAPOINTE: French-Canadian. He is now in the Abitibi district in the province of Quebec, and he has brought with him a great many of those Galician people who indeed are industrious settlers within our province.

The question of the treatment of minorities is a troublesome one and presents one of the greatest difficulties with which the League of Nations has to deal.

Mr. BENNETT: Hear, hear.

Mr. LAPOINTE: And it could not be otherwise. Following the war many new countries were formed; they were carved out of the territories formerly included in other countries and inevitably there came together people of various races differing in language and religion. Necessarily difficulties were bound to arise. Those who attended the peace conference and those who were responsible for the various peace treaties knew that such difficulties would arise ,and they took good care to ensure a protection for linguistic, racial and religious minorities in those various countries. The same clause may be seen in all the treaties concerning Austria, Hungary, Roumania, Poland, Bulgaria, Greece and other countries.

Mr. LAVERGNE: And the British North America Act.

Mr. LAPOINTE: Yes, I may say a word about that at a later time. It was considered that the fundamental principle of protection for minorities was of international concern, and the guarantee was entrusted to the League of Nations. I am not sure that I properly understood my right hon. friend but I thought he said the league had not, except in a very mild manner, the authority to intervene.

Mr. BENNETT: I said the council was the instrument set up by the league. The league itself has very limited powers to enforce the conclusion at which they might arrive after inquiries had been made. That is what I endeavoured to say.

Mr. LAPOINTE: The league is authorized to take any steps it may deem proper.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: I agree, however, with my right hon. friend that steps might be taken which might not always be opportune.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: The work of the league in that matter must be a work of conciliation, otherwise it could not achieve results; its work would be nullified by the obstructive tactics of the government affected. A state or a government cannot be coerced in a matter of that kind. Of course, conciliation, education, and negotiation can always be resorted to, and, I believe, especially in these modern times those are the only practical ways of achieving results in respect to such matters.

Mr. BENNETT: And the weight of public opinion.

Mr. LAPOINTE: Yes, the weight of public opinion; I agree with my right hon. friend in that suggestion. I wish to describe particularly the rights of minorities under the treaty. For instance the treaties laid down:

—that nationals belonging to minorities shall have an equal right to establish, manage and control at their own expense charitable, religious and social institutions, schools and other educational establishments, with the right to use their own language, and to exercise their religion freely therein.

And, further:

The obligation to grant adequate facilities in towns and districts where there is a considerable proportion of nationals speaking a language other than the official language of the state, to ensure that in the primary schools (1) the instruction shall be given to the children of such nationals through the medium of their own language.

Then there is another clause which might be of special interest in a certain part of this country. It is said:

The treaties also lay down that in towns and districts where there is a considerable proportion of nationals of the country belonging to racial, religious or linguistic minorities, these minorities shall be assured an equitable share in the enjoyment and application of the sums which may be provided out of public funds under the state, municipal or other budget, for educational, religious or charitable purposes.

[Mr. Lapointe.]

Mr. LaVERGNE: Even when that minority is a majority in the district.

Mr. LAPOINTE: Exactly. The league has established, as occasion arose, minority committees, such as the one the right hon. gentleman has referred to, but apparently—and this may be the trouble of my hon. friend and his friends—their proceedings are kept secret. I remember having heard Sir Austen Chamberlain say that it was in the interests of the negotiations and of a settlement that the proceedings of the committee should be kept secret. On the other hand, the public at large cannot see what is the proportion of successes and reverses in the negotiations of those committees. I read somewhere that there have been three hundred applications from minorities and about one hundred and fifty investigations. I think at the last assembly, or the last but one, the suggestion was made—and there is a strong current of opinion behind it—that there should be a permanent commission dealing with those problems instead of roving committees, which are not stable in their character because it happens very often that the members do not attend and are represented by substitutes.

Now, there is another matter that I wish to mention. There are minorities elsewhere than in those countries which have come into existence by the treaties of peace, and on September 21, 1922, the League of Nations passed a resolution which I wish to call to the attention of the house. I remember Roumania, for instance, saying to the assembly: "Why should we be treated because we have treaties of this kind in a different manner from the other countries of the world who are forcing us to observe the treaty clauses?" This is the resolution:

The assembly expresses the hope that the states which are not bound by any legal obligations to the league with respect to minorities will nevertheless observe in the treatment of their own racial, religious, or linguistic minorities at least as high a standard of justice and toleration as is required by any of the treaties and by the regular action of the council.

I think that was a very proper resolution to adopt. Even since that time there have been proposals to the effect that all the members of the Society of the League of Nations should have a treaty under which they would accept the clauses protecting the minorities in their respective territories. Those proposals are still before the league, which has not yet taken action, but some objectors represented that it might be very well to apply those clauses to minorities which have passed under another flag as a result of war or of diplomatic negotiations, but not to groups

which might settle in a country of their own free will, and which necessarily must adopt the customs and the usages of that country.

Mr. BENNETT: One is choice and the other is compulsion.

Mr LAPOINTE: Yes. In this country, on various occasions we have had difficulties with regard to minorities concerning school and language. I wish to emphasize this remark which I have already made, that the French minority in Canada is of course composed of citizens who are loyal to the crown, who are proud and happy to be as they are to-day, but who have come under the British flag not of their own free will but as the result of wars of long duration, negotiations and treaties. Therefore I do not see why they should be treated differently from those various peoples in central Europe that have come into other nations by the peace treaties following the late war. The French in Canada have always represented that they have the right to their language, that they were the first settlers in the country, that they are at home everywhere in Canada; and certainly they resent any attempt, for instance to deprive their children of receiving education in their mother tongue. But even there, as is the case with regard to the treatment of minorities in the League of Nations, I know that coercive methods cannot serve any useful purpose. It is through conciliation, negotiation, weight of public opinion that this right—not privilege—can be successfully recognized and granted everywhere. Consequently when a member of this government finds it his duty to refer to a serious educational and language trouble in one province, certainly there is good ground for thinking it is a case where some arrangement could be made.

I repeat, I am in favour of the motion of my hon. friend—if it can be called a motion—that the weight of Canada's prestige and Canada's authority should be behind the move advocated by my hon. friend and that a full investigation should be made by the League of Nations. But after all we must set our own house in order everywhere in this country. We in Canada are members of the League of Nations, as we are in Eurpoe, and I think every one of the various parts of Canada should set an example to those nations to whom we preach moderation and justice.

Mr. ARMAND LAVERGNE (Montmagny): Mr. Chairman, I do not intend to speak at any length. I rise to congratulate the hon. member for Quebec East (Mr. Lapointe) on his remarks. I am glad to find that, companions at university, we are still very close together in our older age. I think the hon. member for Vegreville (Mr. Luchkovich) was quite right in bringing this question before the house. Brought up to regard Poland as having been for so many centuries the soldier of Christianity, I must confess that it is a sort of heart-break to me to learn of the things that are going on there; and I agree with the hon. member for Quebec East that the prestige of Canada should be behind the claim of the Ukrainian people in this country for justice in the matter. But, as the Prime Minister (Mr. Bennett) has said, inasmuch as the machinery already exists nothing can be done except for this parliament to pass a resolution asking for justice, as was done in days gone by when Ireland was in sorrow. There again, however, I agree with the hon. member for Quebec East. If we wish to instruct other nations in their duty in the way of justice to minorities, we should first put our own house in order; and we need not cross the seas, to Poland or Roumania, to find minorities that are suffering. We need not step out of our own country. To tell the truth, outside the province of Quebec, every minority in every province of Canada has suffered. Our position would be a rather sad one if we undertook to teach other peoples before settling our own troubles. As the hon. member for Quebec East has said, it is only by agitating and calling for justice, not by coercion, that we can settle this question.

Before concluding, I might say this. The dual civilization of Canada is the greatest gift Providence has ever bestowed upon any country in the world, and we must maintain it. And if I were an English-speaking Canadian I should be the first one to insist upon the maintenance of that dual civilization, because therein we find a guarantee for the preservation of our country. Therein lies the differentiation of Canada from the United States—our greatest safeguard for the maintenance in Canada of British institutions and the preservation of this Dominion from what, to my mind, is its greatest menace, namely, absorption in the melting pot of America.

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

After Recess

The house resumed at eight o'clock.

MINISTERS OF THE CROWN

BILL TO OBVIATE NECESSITY OF REELECTION UPON ACCEPTANCE OF OFFICE

Mr. E. J. GARLAND (Bow River, for Mr Jacobs) moved the second reading of Bill No.

35, to remove the necessity of the reelection of members of the House of Commons of Canada on acceptance of office.

He said: Mr. Speaker, I have been asked by the hon. member for Cartier (Mr. Jacobs) to move the second reading of this bill in his absence. I would ask the house to permit the bill to go into committee, when the necessary explanations can be given.

Mr. MACKENZIE KING: Mr. Speaker, the mover of this bill should be present; I should like to hear from him on the second reading.

Mr. GARLAND (Bow River): In that case, may I submit that the alteration asked for by the hon. gentleman in his bill is that we should do away with an almost prehistoric piece of legislation dating back to the days of good Queen Anne. At that time there was a tremendous conflict between the commons and the crown, and it was the desire to prevent the continued usurpation by the crown of the powers of the commons that induced the enactment of the legislation which in its present form compels any individual member of the House of Commons selected for a portfolio to return to the electorate in his constituency or in some other constituency for reelection. No one knows better than the present leader of the government (Mr. Bennett) the difficulties entailed in this procedure. I have distinct recollection of instances during my short life in parliament where the best man available within the party was not elected for office because a majority in his constituency could not be ensured, and such has been the experience in all British parliaments. It is exceedingly unfair to a minister himself, very often a man of humble means, to be compelled to meet the expenses of an election even though at the time he be a member of the House of Commons. The point I would make in this connection is that no man whose ability commends him to the office should be passed over simply because his seat does not appear to be a safe one. If his abilities are such or promise to be such as to justify the appointment, that and that alone should be the sole consideration. It is unfair to the electors in the constituency to subject them to the disturbance of a by-election, especially if it comes shortly after the general elections. The only ones that could be interested in those performances would be the opposition.

Another reason which makes the present system unfair is that the person selected is diverted from his duties for the three or four weeks necessary to carry on an election at the very time he should be acquainting himself with those duties and familiarizing himself, in the case of many of the portfolios, with the tremendous work entailed in carrying them out. Moreover, in by-elections of this character it frequently happens that the person nominated to the portfolio is subjected to all sorts of pressure and induced to make many statements he would not otherwise make were he in office for some time studying its responsibilities and securing the well-developed advice of his colleagues.

Speaking on this very question in the British house, I think in 1926, Sir John Simon contended that perhaps one of the most serious aspects of the legislation in this respect was that very often a newly appointed minister during the period of such by-election forgot for the time being that he was no longer a private individual and frequently gave voice to expressions regarding government policies that afterwards required denial on the part of the ministry involved. That would be a most embarrassing situation for all parties.

A measure of this character would be of much greater value to a ministry with a small majority than to a ministry such as we have now facing us. For example, had this proposed legislation been on the statute book in 1926—I have no doubt the leader of the opposition (Mr. Mackenzie King) will raise this point—the ministry of Right Hon. Arthur Meighen, had it so desired, might have retained office, constitutionally at least, for the continuation of the term of that parliament, whereas on account of the unconstitutional and illegal position in which they found themselves they were rejected by the house and compelled to go prematurely to the country. So far as we in this corner of the house were concerned, the result was that we lost at least one year in having brought into force certain legislation which at that time was exceedingly desirable. I refer specifically to the question of the revaluation of soldier settlers' land, and also to other measures such as the Long Term Farm Loans Act.

The present method, as is stated by Sir William Anson in his Law and Custom of the Constitution, causes needless and vexatious delay in the conduct of public business. It distracts the mind of the member selected for a cabinet position from the duties of his office and very frequently embroils the entire ministry in the particular by-election. I think hon. members will concede that all elections are annoying. If I were asked for my own choice in the matter, I would say that the most satisfactory condition of affairs would be one where the present personnel sat forever and simply swapped positions at the will of the

House of Commons. However, it is not likely that such a condition will come in my time, so I am compelled to accept the situation as it is and do the best I can to carry on.

I am willing to concede another objection which may be taken to this measure. There is no doubt in my mind—and I say this with all respect—that the present ministry even after the short time it has been in office could hardly expect to go back to the country today and be returned in anything like its present strength. We have not in the house at the present time a minister of labour, and sooner or later the present administration will in all probability be compelled to select such a minister. Should this bill be enacted at the present session and become operative immediately thereafter, it is quite possible that the new minister of labour would not have to submit himself to the electorate, and therefore the public would be denied an opportunity of expressing an opinion upon the present administration. To offset that argument, which is a valid one, I submit that it is very rarely that by means of a by-election of the kind which would likely follow such an appointment any fair estimate of the general opinion of the public can be secured, because the person selected would no doubt contest a seat which from the experience of history it was felt would give a majority to the Conservative member seeking reelection on acceptance of the portfolio.

The one great objection which could be offered to this bill is one which has been raised in other times, namely that its effect would be to deny to the electorate the power to give expression to its resentment against the type of administration which was then in office. But I submit that as our parliamentary term is only four years, sometimes not more than three, no great hardship will result; as a matter of fact in each constituency it frequently happens that local issues predominate and overshadow the issues concerning the general welfare of the nation. If it is contended, then, that the electorate would by such legislation as this be denied the power of expressing its dislike for an administration, I submit the only remedy would be to offer an election to the entire country and ask all of Canada to decide upon the minister's appointment. That, of course, would be absurd, and an utterly unnecessary expense. I think that disposes of one criticism that I can foresee against this legislation.

The present situation with regard to the Prime Minister himself is interesting. If the present Prime Minister of Canada desires to assume, as possibly he might, some further portfolios, under the present law as I read it he would have to go to the country on the assumption of each of them. The hon. member for Comox-Alberni (Mr. Neill) assures me that this is not the case. It was the case in Britain prior to 1926. In 1919 the first attempt was made in the British house to amend this legislation. At that time I think it was the Right Hon. Bonar Law who introduced the proposed amendment, which was in much the same form as the bill now before the house, the purpose being to amend the then existing legislation so as to provide that no member of the House of Commons, on being appointed to the ministry, need appeal again to the electorate. In the committee stage an amendment was introduced to the bill, providing that this should not apply after the administration had held office for nine months. I submit in this connection that nine months have elapsed since the election of the present administration to office, and there would be little advantage in introducing the legislation unless it were to apply solely to subsequent parliaments, or to whatever by-elections might take place in the next few years. Mr. Bonar Law, however, in accepting the amendment, used that expression which has since become a famous quotation:

> Perhaps it is preferable to take two bites at a cherry. We will take the first bite now, and the second later.

The second and complete bite was taken in 1926 when the necessary change was again introduced into the British house, and I understand it passed at that time by a very large majority. The situation then was that the Conservative party in the British house had an enormous majority. The situation in Canada is that the Conservative party in this house has an enormous majority. But at that time Sir John Simon, I think it was, used this expression:

> The position here is not as it is at the moment in Canada, where a ministry is poised on so narrow a ledge that considerations which are not necessarily consideration of the first order may have to determine exactly how to choose this colleague or how to refuse that.

Now the situation is reversed; in this country we have a Conservative government in power with a very large majority, whereas in the British house there is in power a Labour party tottering on the brink of compromise on every occasion.

Some extremists in the house may point out that legislation of this kind would simply give to the executive powers or privileges that in the past we took from the crown. I am inclined at times to agree with those who criticize the present form of parliamentary government in this and other countries because of the tremendous and growing

power of the executive council. I cannot, however, see that the enactment of the legislation now proposed would necessarily in any way add to their powers in this house. What it would do in effect would be to remove from this country an anomalous and almost prehistoric condition that so unnecessarily hampers business and increases the cost of administration. Another hon. gentleman pointed out at one time that it would remove the only effective check over the executive by the electorate. I have dealt with that already. I do not think by-elections have ever been sufficiently intelligently conducted under existing conditions to bring into the light, as they would be brought in a general election, all the major issues facing the whole country; but they are decided for the most part on local issues.

I commend the legislation to the consideration of the house. I ask the house to give the bill its second reading, in the hope that it may be referred to the committee on privileges and elections. I hope the hon. member for Cartier will not condemn me too much if I do what I think he would do as a reasonable member of the house under the same conditions. I am not going to insist on the measure passing in its present actual form, but like Bonar Law I would be willing to take two bites of a cherry. If the time limitation were brought in the legislation could be introduced at once, in which case whoever becomes Minister of Labour in this house would have to submit himself to the electorate; thereupon the administration might receive a severe shock; on the other hand, it might not. I do not think any definite conclusion could be drawn from an election under those conditions.

The clauses of the bill are simple. All they do is modify the existing legislation in the direction I have indicated. The matter has received consideration in many parliaments other than ours. It is already, as I have indicated, enacted in the British house. It was enacted in New South Wales parliament in 1906. It has been in force in South Australia and New Zealand since the inception. It is also in force in Tasmania and in Queensland. The Union of South Africa like the Commonwealth of Australia, and the Irish Free State, have had it since the new constitution came into force. I ask the house to let the bill pass its second reading and then go, I hope, to the committee on privileges and elections.

Mr. A. W. NEILL (Comox-Alberni): I did not like to interrupt my hon. friend in his very able presentation of this bill. For reasons that I need not go into now, I do not agree with him, but I think he is out of order. I cannot at the moment put my finger on the particular rule, but, you, Mr. Speaker, will no doubt be cognizant of the rule which states that the second reading of a bill must be moved by the hon. member who has charge of it. There is an exception to it in the rules which I have read quite recently, which says that in the case of an unopposed motion for the production of papers, it was arranged a few years ago by general consent that such a motion might be made by proxy, but this does not refer to the instance now before us.

Mr. SPEAKER: I understand the hon. member for Comox-Alberni to object to proceeding with the bill now?

Mr. NEILL: Yes. The hon. member is out of order, and any hon. member except the one in whose name the bill stands, is out of order in making a motion of this kind.

Mr. SPEAKER: The practice has been, when the member in whose name a bill stands on the order paper is not present, and another hon. member rises in his place in the house and says that he is authorized to act for him, to accept that.

Mr. NEILL: But there is a rule to the direct contrary. That custom applies only in connection with an unopposed motion for the production of papers.

Mr. SPEAKER: This is a public bill and it will go to the committee of the whole, not to any standing committee.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I have had some conversation with the sponsor of this bill and my recollection is that in the conversations I have had with him he intimated that his intention was that the measure should contain a limit of time within which its provisions would operate. In his absence it would, I think, be unfair to proceed with the bill, at least beyond the second reading.

Mr. GARLAND (Bow River): May I say to my right hon. friend that to-day about one o'clock the hon. member who sponsors this bill asked me to raise the question in the house. He discussed it with me at some length and he made no mention whatever of a time limitation.

Mr. MACKENZIE KING: I quite accept my hon. friend's word. I hope that he will be equally prepared to accept mine when I say that when on more than one occasion the same hon. member introduced this measure when I was sitting on the other side of the

house and when the party which I have the honour to lead was in office, discussing the measure together we repeatedly argued the point as to whether it would be in the public interest in a democratic country to take away from the electorate the right it now has of voicing its opinion in the manner which is afforded by a by-election, where a minister of the crown is being appointed to office for the first time. The argument, as I remember it, of my hon. friend was always to the effect that it was an absurdity for a by-election to be necessitated immediately after a government had been returned to office or during a certain period of time thereafter, but that there might be reasons why by-elections should continue to take place when ministers of the crown were appointed at some period of time considerably beyond that at which a ministry itself had taken office. However, whether that is his view or not, I should like as one member, on the second reading of the bill to say that it is the view that in the interests of the electorate of this country I myself entertain. I favour the idea of allowing a ministry, after it has been returned to office at a general election, to have its ministers returned by acclamation if they have been elected as members of the house. When hon. gentlemen opposite were elected there was no opposition put to the return of any of their members as ministers of the crown. Indeed, so far as the official opposition was concerned, we did not limit our withholding of opposition to members of the administration who had been returned to the House of Commons, but when the present Minister of Trade and Commerce (Mr. Stevens) sought a seat elsewhere, so far as the opposition had a voice in the matter at all, it was used in persuading those in the constituency in which he ran not to oppose him but to allow him to be returned by acclamation, which he was. I think that a practice of this kind, where a new ministry is formed immediately after a general election out of members elected to parliament, is a good one to follow, but I think that there should be a limit of time within which the practice should apply. That limit originally in the case of Great Britain was nine months. I should think we might do well to follow the British practice, proceeding by stages. If we are to change our practice in Canada, let us do it step by step as was done in Great Britain, and amend this measure so as to make the new provision applicable to members of a ministry which has just been returned and to ministers who may seek reelection within a period of nine months thereafter. I do submit that there are very strong reasons from the point of view of the ministry itself as well as from the point of view of the general public, why by-elections should take place where ministers who have not theretofore held office are brought into a government, especially where a government has been in power from one to two or three or four years.

The limit of opportunity of appealing to an electorate is fixed by statute at a period of five years. It might well be that within that period of time the public itself would wish to voice its opinion in regard to policies which have developed in the course of time during which the ministry has held office. Every by-election affords that opportunity to a degree and there is a special reason why that opportunity should be given where a ministry undertakes to change its complexion without having consulted the electorate in the first instance.

Then with respect to a minister himself, a minister of the crown has a responsibility very much greater than that of a private member of parliament. A member has a very special responsibility the moment he becomes a minister of the crown. An electorate may be prepared to support an hon. member of the house as a member of the commons, where the same electorate might not be prepared to entrust him with the additional responsibility that attaches to a minister of the crown holding a particular portfolio. I am saying that not in the way of reflection upon anyone who may be taken into a ministry at any time, but I say that it is one of those many safeguards which in the interests of the public generally it seems to me wise to throw around the office of a responsible minister of the crown and which I believe it is also wise to throw around whoever may be called upon to fill such a position. I am prepared to agree to the general principle of the bill, though limiting its main provision to a period of time; I shall not oppose the second reading. I hope the house will feel that in the absence of the sponsor of the bill, it might remain at that stage and that it will not be necessary to proceed in committee on its provisions this evening.

Mr. NEILL: I rise to another point of order, Mr. Speaker, and in this case I have the data before me. I refer you, sir, to standing order 70, which reads as follows:

No bill may be introduced either in blank or in an imperfect shape.

Beauchesne paragraph 744, comments on that standing order as follows:

If the Speaker finds that the bill is in blank or in an imperfect shape, he will decline to put

the question and will return the bill to the member, who must take another opportunity of bringing it up in conformity with the rules.

I now turn to page 348 of Beauchesne's Parliamentary Rules and Forms where, under the heading, Rules of the House of Commons, I find this:

> The rules of the House of Commons as to the preparation and printing of bills, adopted 14th June, 1923, must be followed by all departments. They are as follows:

Then follow five clauses, the first of which reads:

> 1. In the preparation of bills amending existing enactments the amendments shall not ordinarily be made by clauses which add or leave out words or substitute words for others, but by clauses which reenact the section, subsection or other minor division, as it is amended.

This particular bill conforms with that requirement inasmuch as it strikes out two sections and replaces them with the proposed section. The second clause of the rules reads:

> 2. In the text of the bill, on the left hand page, new matter shall be indicated by such typographical means as may best suit the varying circumstances of each case, such as brackets, italics, underlining, asterisks, etc. Opposite each clause, on the right hand page, the enactment amended thereby, or so much thereof as is essential, shall be printed with the proposed changes to be made therein similarly indicated.

That clause has not been adhered to. The amending bill reads:

> His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—
> 1. Sections thirteen and fourteen of the Senate and House of Commons Act, chapter one hundred and forty-seven of the revised statutes of Canada, 1927, are repealed, and the following are substituted therefor:—

As sections 13 and 14 of the old act are proposed to be repealed by this measure, it follows by the rule which I have just quoted, that the clauses to be struck out must appear on the right hand page, but all that appears on the right hand page is an explanatory note; very useful, but that does not conform with the rule. The explanatory note reads:

> The British parliament has passed an act for the same purpose as this proposed legislation, in the Imperial statutes, 16-17 George V, chapter 19, assented to 15th July, 1926. In New South Wales in 1906, the rule of non-reelection was adopted, and it has always been in force in South Australia and New Zealand. It is now in force in Tasmania and in Queensland. In the Cape, the Transvaal, the Orange River Colony and Natal it was never introduced, and in the Union of South Africa, like the Commonwealth of Australia follows the same model.

That is very interesting information, and is highly useful in an explanatory capacity.

[Mr. Neill.]

However, the rules say that the sections supposed to be struck out must appear on the right hand side of the page and in this instance they do not appear. No section whatever appears in that position. According to Beauchesne's rule No. 2 on page 348 of Parliamentary Rules and Forms, the bill is in an imperfect state, cannot be read, and should be returned by Mr. Speaker to the hon. member—who did not introduce it, by the way.

Mr. SPEAKER: Referring to the point of order raised by the hon. member for Comox-Alberni (Mr. Neill) I am bound to rule that Bill No. 35 as it appears and is now in the hands of hon. members complies sufficiently with the rules the hon. member has quoted.

Mr. NEILL: May I speak to the point of order?

Mr. SPEAKER: I have ruled that the bill complies with the rules quoted.

An hon. MEMBER: Sit down.

Mr. NEILL: I submit, Mr. Speaker, that you have ignored the rule and that you have decided absolutely against the rules of the house. What must we do if we do not have the rules upheld?

Mr. A. E. MacLEAN (Prince): Before the bill proceeds to a further stage I would like to make a few remarks, because I introduced a resolution a few years ago along the lines followed by this proposed legislation. This bill is really an innovation, and if passed would change a practice which has been in effect in Canada since confederation. When a similar bill was before the British House of Commons it was argued by some hon. members that the fact the British constitution could be amended showed its value.

There are many arguments which could be used for and against the proposal embodied in the bill. Mr. Dunnico, speaking in the British House of Commons, used the following argument against a similar bill introduced into that house:

> Suppose a minister resigns because he feels he is not getting enough money to carry on his department, would it be right for the Prime Minister to put a man in his place without consulting the people?

That is one argument which was used against the change then proposed in Great Britain. Mr. Dunnico said that the bill involved an infringement on the rights of the electorate and a departure from the principles of democracy. He claimed that with all its faults and shortcomings, democracy would

triumph, and that in the perfecting of democratic institutions lay the progress of the masses. He said:

> We are the custodians of great traditions which we have inherited and we should pass them on not only unimpaired but strengthened in every way possible.

Mr. GARLAND (Bow River): May I ask a question? Does the hon. member wish to leave the inference that the British House of Commons is to-day undemocratic?

Mr. MacLEAN: I am referring to the time that the bill was before the British House of Commons and quoting from the discussion which then took place. As I have said, there were arguments for and against the bill, and undoubtedly good arguments could be used on either side. Sir John Simon, Great Britain's greatest constitutional lawyer, said:

> The change should be made, but it should not come into effect until after a general election.

He thought it was hardly fair to allow a member of a government which had held office for a period of nine months to be returned without going to the country.

Mr. GARLAND (Bow River): May I remind the hon. member that this is the first regular session since a general election, and according to his last contention this would be the proper time to introduce such a measure.

Mr. MacLEAN: That may be all right, but there is an argument advanced against it. Supposing there is a vacancy in the cabinet; within a few months after a general election there is not much time for a change in the feelings of the people and the necessity of holding a by-election to return a member would not be so apparent at it would be three or four years after a general election. That was the argument used at that time. Another argument was raised in Great Britain with which we do not have to contend here. There the cabinet ministers are pensioned off; in this country we have not developed to that stage. In the old country this argument was used: If an unscrupulous Prime Minister saw clouds gathering and wished to have his cabinet secure, he might have all his cabinet ministers resign, let them all draw a pension and call in another cabinet.

Sir GEORGE PERLEY: If the hon. member will permit an interruption, I would like to say that his information is not quite correct. As I understand the situation, cabinet ministers in the old country are not pensioned off, as a matter of fact they are not pensioned at all. The great bulk of them never receive a pension, but there is a law under which an ex-minister of the crown may receive a pension if he requires it. Such pension, however, is in the gift of the Prime Minister. If the ex-minister of the crown has not enough to live upon and requires a pension he may receive it by appealing to the Prime Minister. It is not, however, given as a matter of course.

Mr. MACKENZIE (Vancouver): Except in the case of the Lord Chancellor.

Sir GEORGE PERLEY: Yes, the Lord Chancellor might be the exception. However I would not say he receives a pension; he acts as the head of the privy council and receives an annual allowance. The ordinary member of the government of Great Britain is not entitled to a pension.

Mr. MacLEAN: My hon. friend should be well acquainted with the situation in England; no doubt he is an authority and well qualified to speak on this question. However, Mr. Williamson, who spoke in the debate to which I have referred, said:

> In the old country a minister four years in the cabinet is entitled to a pension if he can show he is entitled to it.

I suppose that is the condition referred to by my hon. friend. It would seem from this statement that the minister would receive a pension if he needed it. Cabinet ministers are human, and it seems to me that they would not experience much difficulty in proving that they needed it.

Sir GEORGE PERLEY: The hon. member is not correct. I think if he will search for the facts he will find that the great bulk of cabinet ministers in England do not receive a pension. It is only in the exceptional case that an ex-minister applies for a pension, and he must put his case before the Prime Minister before he can obtain it.

Mr. MacLEAN: At that time Mr. Williamson advanced the pension as an argument why the bill should be opposed. As the leader of the opposition said to-night, it seems very unreasonable that cabinet ministers who are selected immediately following a general election should have to go to the country for reelection, but after nine months have elapsed I think they should have an appeal to the electorate. If the bill goes to the committee I purpose saying something more on the subject.

Hon. ERNEST LAPOINTE (Quebec East): I am sorry I have not been here during the whole of the discussion on this bill. I have heard only the last few minutes of the debate. I understand however that the right hon. the leader of the opposition has stated that if there was a limitation, he would not be opposed to the principle of the bill. That is exactly where I stand in the matter. I rather think that after a general election it is a tedious and a useless process to go through by-elections to reelect the members who are selected to form the cabinet; but after a period of one, two or three years has elapsed, when public opinion may have changed, I do not think it would be democratic and in accordance with the best parliamentary practice and representative institutions that the Prime Minister should be able to select any member to enter his cabinet without having his selection endorsed by the electors of that member. For instance, I do not want to be personal in any way, but suppose my right hon. friend next year, or a couple of years hence, should select my hon. friend from Wetaskiwin (Mr. Irvine) as Minister of Labour, or for another department of his government, there is a moral certainty that the electors of that gentleman would not support his entrance into the cabinet. I do not think that this freedom of choice should be left to the Prime Minister without the people having a chance to pronounce upon it. Public opinion is what controls governments and parliaments, and we should not try to get away from that control, and thus deprive it of any opportunity to show where it stands after a certain period following a general election. I would favour the principle of the bill as far as it applies to the period immediately following a general election, that is, that there be a limitation.

Mr. LAVERGNE: It may be very useful even after a general election.

Motion agreed to and bill read the second time.

Mr. SPEAKER: Moved by Mr. Garland (Bow River) for Mr. Jacobs, seconded by —who seconds the motion to go into committee of the whole?

Mr. LAPOINTE: Nobody.

Mr. NEILL: Mr. Speaker, did not the leader of the opposition ask for an undertaking, and receive it, that if the second reading was passed the bill would remain at that stage? I certainly heard him make that observation.

[Mr. MacLean.]

Mr. CAMPBELL: Mr. Speaker, I will second the motion for committee of the whole.

Mr. SPEAKER: Moved by Mr. Garland (Bow River) for Mr. Jacobs, seconded by Mr. Campbell, that I do now leave the chair for the house to resolve itself into committee of the whole on said bill. Is it the pleasure of the house to adopt the motion?

Mr. MACKENZIE KING: No. Next sitting of the house.

Mr. SPEAKER: All those in favour of the motion will kindly say "aye." Those opposed will kindly say "no."

Some hon. MEMBERS: No.

Mr. SPEAKER: In my opinion the "noes" have it.

Motion negatived.

REPRESENTATION ACT AMENDMENT

REPRESENTATION FOR ELECTORS RESIDENT IN THE DISTRICT OF PATRICIA

The house resumed from Tuesday, April 28, consideration of the motion of Mr. Heenan for the second reading of Bill No. 2, to amend the Representation Act.

Mr. SPEAKER: Is the house ready for the question?

Hon. H. H. STEVENS (Minister of Trade and Commerce): This bill, Mr. Speaker, is really a most unusual proposal, particularly at this time. Here we are in the first session following a general election with the census being taken this year, with no likelihood—I was going to say no possibility—of an election for three years.

An hon. MEMBER: There might be.

Mr. STEVENS: I quite agree that the expression "no possibility" is rather too strong to apply to anything pertaining to human affairs—and we are still human; I admit that. But there is not much probability of an election for three or four years, and before that time there must be a general redistribution act brought in adjusting the boundaries of some of the constituencies, particularly those in which there has been a considerable increase of population during the intervening period. For us to pick out one riding and reconstitute its boundaries when there is positively no need for it at the present time would be futile. In the interim no one can be affected prejudicially, no interests are jeopardized, no one is suffering. This is just a delightful whim on the part of the very handsome and genial member now representing the district.

Mr. HEENAN: If the hon. minister will pardon me, this is not a whim; this bill was introduced last session.

Mr. STEVENS: That makes it all the worse. The hon. gentleman was a member of the government last session and—

Mr. HEENAN: The opposition then opposed the measure.

Mr. STEVENS: —he had around him then all the support necessary to carry his bill through, and he did not or could not carry it through; in any case it was not passed; there intervened a general election and now he asks us to adopt the bill. Really I feel that we can appeal to the hon. member's sense of fair play and decency in dealing with a thing of this kind not to push his proposal any further. I do not like to go so far as to say it is almost trifling with the affairs of the country—

Mr. HEENAN: I know the hon. minister is sincere, but does he think it is really a whim or a trifle to enfranchise 600 men?

Mr. STEVENS: No, the hon. gentleman is not enfranchising a single soul, as there is not likely to be any election prior to redistribution. There is not an individual in the country—and the hon. member knows it—who will be in the slightest degree affected by the rejection of this bill. I regarded it as a joke, but if the hon. gentleman is serious, let us consider it. Not an individual in this country can be affected by the bill.

Mr. HEENAN: How does the hon. minister know?

Mr. STEVENS: I know a census is being taken and I know this house—

An hon. MEMBER: The hon. minister does not know what he is talking about.

Mr. STEVENS: If the hon. gentleman will permit me. A census is being taken, and until the resultant information is in hand neither my hon. friend nor anyone else in the house can do justice to the redistribution of the electoral districts. The census is under way, later we will have the necessary information, a general redistribution bill will be brought down, and then in the usual way a committee composed of members from all sides of the house will take the question up. It is not a trifling matter to change the boundaries of an electoral district; it is a serious matter. It may be that my hon. friend has some reasons to advance for seeking to change the boundaries of his riding, as I might advance reasons for changing the boundaries of other ridings, but if we proceeded on such a basis nothing but chaos would result.

Mr. HEENAN: I think my hon. friend—

Some hon. MEMBERS: Sit down.

Mr. HEENAN: I am trying to inform the house. If somebody on the other side knows all about my riding, there is no use in my saying anything.

Mr. STEVENS: If the hon. member wishes to ask a question?

Mr. HEENAN: I wish to point out that the purpose of my bill is not to change the boundaries of my riding, it is to incorporate a part of the country that is not to-day in any electoral district.

Mr. STEVENS: I apprehend what the hon. member is trying to do, but it is certainly changing the boundaries of his riding. I am not objecting to his desire to incorporate in his riding certain districts which on account of the change in the boundary, if I remember rightly—

Mr. HEENAN: New found territory in Ontario.

Mr. STEVENS: Yes. But the point I am making is that there is no need of doing it now. Let the matter rest until a redistribution bill comes down, which will be probably next year or, at the latest, the session following, when the whole question of redistribution will be under consideration by a committee of this house.

Mr. HEENAN: And suppose there is a by-election in the meantime.

Mr. STEVENS: The hon. member says, suppose there is a by-election in the meantime. Does he expect to be invited to become a minister of labour in this government? I recall that shortly after the last election there was a rumour about that Barkis was willing. But I would not—

Mr. HEENAN: No sir; and if there was a rumour it was on that side.

Mr. STEVENS: Not at all; it was like a halo round the hon. gentleman's head.

Mr. BEAUBIEN: If you cannot find a minister of labour on that side we will lend you one.

Mr. STEVENS: If we want a minister of labour we know where to get one. I submit, Mr. Speaker, that it is both unreasonable and

unwise for us to consider this matter further. I will therefore move that the word "now" in the motion be struck out and that the words "this day six months" be substituted therefor.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Up to the moment that my hon. friend the Minister of Trade and Commerce (Mr. Stevens) proposed his amendment I was inclined to feel a certain sympathy with him in the suggestions that this measure be not pressed unduly just at present. The amendment however does give to the action of the government a significance which I doubt very much the government has fully appreciated. The situation at the moment is this. There are in the district of Patricia six hundred people who have not the right to vote at a general election in Canada or in a by-election in the constituency of Kenora-Rainy River; they are disfranchised. A member of the government now introduces an amendment to this motion which may make it impossible, no matter what circumstances may arise, to consider the inclusion of these six hundred persons as electors for that particular constituency should there be occasion within a certain period of time for any reason to consult the people in that riding.

I remember quite well the circumstances that occasioned the postponement of this bill at the time it was originally introduced by the present sponsor, the then Minister of Labour. We were just on the eve of a general election and the present Prime Minister (Mr. Bennett), speaking then as leader of the opposition, maintained very strongly that there was no part of Ontario where the people had not the right to vote. He said that there was no group of electors in Ontario who were not included in some federal constituency. That was the position he took, and he so advised the house. In that statement he was entirely in the wrong, for there were in the district of Patricia six hundred persons who had been included in the constituency under the Ontario Electoral Act and who had the right to vote in a provincial election, but who were not included in any federal constituency. The boundaries of the constituency as fixed for provincial purposes were narrower than those fixed for Dominion elections. There was not at the time opportunity to go carefully into the matter. The hon. member took the matter up at once at the next session and is now bringing it up again. The purpose of this bill as introduced by the former Minister of Labour, is like its predecessors, to make the boundaries of the federal district as terminous with the boundaries of the provincial district: in other words, to give all the people duly qualified in that Patricia area the right to vote in federal as well as in provincial elections. It was because of the immediate pressure of prorogation that the bill was not proceeded with before the general election of 1930 and as I have said it was not proceeded with largely because of representations which were made at that time by the then leader of the opposition.

I have in my hand a statement from the chief electoral officer submitted to the Hon. Lucien Cannon, at that time Solicitor General. It reads:

Ottawa, May 29, 1930.

In the Representation Act of 1924 the district of Patricia has not been included in any electoral district of the province of Ontario or of any other province. Therefore persons residing in the district of Patricia, which is situated north of the English river, are not entitled to vote at a Dominion election.

Jules Castonguay,
Chief Electoral Officer.

That means that there are at the present time at least six hundred persons who are disfranchised, and the amendment now proposes to make doubly sure that they shall so remain That surely is not in accordance with representative institutions; and whatever may be done with the bill, for reasons which may have to do with the census which is to be taken, I do submit that this house should not in the interval, seek deliberately, by a motion of the government to disfranchise six hundred electors in the district in question.

Mr. J. A. BRADETTE (North Timiskaming): It is almost nine o'clock, and the time allotted to this discussion is therefore practically at an end; but I wish to say a word or two in the few minutes that remain.

I must say I was astounded at the attitude of the Minister of Trade and Commerce (Mr. Stevens) towards a matter with which evidently he is not conversant. I heard the hon. member for Southeast Grey (Miss Macphail) say last year that as the result of an operation her mood had been somewhat improved. I am afraid that this is not the case with the Minister of Trade and Commerce.

As the leader of the opposition (Mr. Mackenzie King) has pointed out, there are at the present time in the district in Ontario now in question six hundred people who at the last election could not vote, and I can tell the Minister of Trade and Commerce that if he resided in northern Ontario he would hear some of the criticisms which are current there. The hon. gentleman's strongest ar-

gument against the bill now proposed is the fact that federal ridings are well defined. In the last election, I might say, as a result of changes which were made in West Algoma and in my own riding, two divisions were eliminated from North Timiskaming.

There is every reason for the adoption of this measure. We know that in most cases development in Canada to-day is moving towards the north. Every riding in the south fringes on the American border, that the lines are well defined. But the same principle does not apply to the northern ridings.

Mr. SPEAKER: It being nine o'clock, the hour for consideration of private and public bills has expired, and the house will resume in committee of supply.

SUPPLY

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

DEPARTMENT OF EXTERNAL AFFAIRS

Geneva—Canada's contribution to the expenses of the League of Nations for 1931, including Secretariat, International Labour Organization and Permanent Court of International Justice, $205,083.94.

Mr. A. L. BEAUBIEN (Provencher): I congratulate the hon. member for Vegreville (Mr. Luchkovich) on the splendid presentation of his case to-day. We who form a part of any minority in Canada can easily extend our sympathies to minorities in other parts of the world, and certainly I can say this for myself, having lived in a section of Canada where the minority rights of French-Canadians have been taken away one at a time. Knowing how the French-Canadians have been deprived of these rights, and realizing that this has retarded the progress of those parts of Canada where such rights have been denied the people, we can readily sympathize with any minority, wherever it may be.

Some controversy has taken place with regard to the atrocities alleged to have been committed in Poland. I have received a copy of a book entitled Ukraine—The Sorest Spot Of Europe, issued by the Ukraine Information Bureau. If the facts as related in this book are true, I feel certain that the best element in Poland, knowing them as I do in this country, would be the first to ask for redress. I received another book entitled Polish Library Of Facts—The Situation In Southeastern Poland ("Eastern Galicia"), published by the American-Polish Chamber of Commerce and Industry, Incorporated, in New York city, in which are refuted the statements made in the other publication. The facts could be very easily ascertained, Canada, being a member of the League of Nations and a signatory to the treaty of Versailles, and having guaranteed protection to the minorities in certain component parts of Europe, should make every effort to discover the truth, and if such atrocities as have been described are being committed, do everything in her power to have them stopped.

The Ukrainian is a fine law-abiding citizen who has made a great contribution to this country, especially to western Canada. He is a good living citizen, the equal of any who come from other countries in central Europe. This matter should be investigated and I am glad the hon. member has brought it to the attention of the committee. I am sure the Prime Minister (Mr. Bennett) Secretary of State for External Affairs will do everything in his power to see that the League of Nations takes note of this debate.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Chairman, the hon. member for Vegreville (Mr. Luchkovich) has covered the subject matter of this debate so well that there is very little left to be added thereto. However, I intend to review briefly the history of this people from early times. From the dawn of history there has been a Ukrainian race, with its own language, its own culture and its own literature, antedating the Norman conquest of England. For ages the Ukraine was the battle ground of the east and west, between oriental and occidental, between Mohammedanism and Christianity, and it bore the brunt of saving Europe, of saving Christianity from Mohammedanism and from the Turks and Tartars. It was the King of Poland, John Sobieski, who drove the Turk and Tartar out of Vienna and saved Europe from Mohammedanism, and his army was composed largely of Ukrainian cossacks.

The province of East Galicia, which is under discussion at this time, is only a part of the Ukraine, the larger portion, as we know, being incorporated in Soviet Russia. In 1654 this particular part of the Ukraine was ceded to Poland by Russia. On the dismemberment of Poland in 1772 this province fell to Austria and it was, as we know it now, the province of East Galicia in Austria. On the breaking up of Austria after the great war this state declared itself independent under the name of West Ukraine, but it had to fight Soviet Russia on the one hand and Poland on the other, and the state never had an opportunity to exist; it never enjoyed peace long enough to build up a government or to do anything for itself. Austria surrendered all rights and

interests in East Galicia to the allied powers under the treaty of St. Germain which was signed on September 10, 1919. The allied powers, including Great Britain, by the acceptance of that treaty became legally and morally responsible for the well-being of the people in that territory. On December 8, 1919, the supreme council of the peace conference laid out the boundary between West Ukraine and Poland, known as the Curzon line, which formed the boundary line between the states of West Ukraine and Poland. The very fact that that boundary was drawn up by the supreme council of the peace conference showed that the purpose was to give to that state self-determination; at any rate it was shown clearly that it was not the purpose to leave it under Polish domination. United States Secretary of State Colby issued a statement to the press on October 10, 1920, in which he stated that Poland must be an ethnographic state and nothing more, and that she must accept the Curzon line as her eastern boundary. This clearly proves that the allied nations had some responsibility in guaranteeing these people their self determination. However, in spite of the legal position in 1919 Poland forcibly took possession of the country and has held it ever since. May I quote briefly from an editorial which appeared in the Manchester Guardian of March 15, last, which reads in part:

> When the Austro-Hungarian empire foundered the Ukrainians, like the Poles, the Czechs, and the Croats, proclaimed their independence in accordance with the principle of self-determination championed by President Wilson and by the allies, and, like the others, they fought to defend their newly asserted independence. But in June, 1919, the supreme council allowed the Poles to continue to occupy the western Ukraine, though expressly reserving the ultimate status of that region for future settlement.

I do not think I need refer to the treaty of minorities, as the Prime Minister referred to that matter this afternoon and the hon. member for Vegreville has covered it very well. This treaty was signed on June 28, 1919, between Poland on the one hand and the United States, Great Britain, France, Italy and Japan on the other and guaranteed full rights of nationality, language, race, religion and so on to all non-Polish races in the new Polish state. From that I would like to quote part of article 12, which reads:

> Poland agrees that any member of the council of the League of Nations shall have the right to bring to the attention of the council any infraction, or any danger of infraction, of any of these obligations, and that the council may thereupon take such action and give such direction as it may deem proper and effective in the circumstances.

[Mr. Campbell.]

This has a very direct application to Canada, because Canada is a member of the League of Nations and the action that it is proposed to take to-day is taken, I presume, under that clause.

It is not necessary for me to deal with the question of the alleged atrocities, because that has been very well covered by the hon. member for Vegreville. The question is of vital interest to at least one third of a million of Canadian citizens of Ukrainian stock. That fact in itself is entitled to some consideration outside altogether of the humanitarian angle of the question and Canada's responsibility as a member of the League of Nations. The request that Canada as a member of the league should support an independent investigation into this question and let the world know the actual conditions, seems to me a very modest one.

This afternoon the Prime Minister (Mr. Bennett) mentioned that a committee was already dealing with this matter. I am not entirely clear about that. If I am wrong, perhaps the Prime Minister can set me right. My understanding is that that committee is dealing simply with the petitions; that is, that committee is not appointed to go into Poland and to make a thorough examination and investigation. If it is, of course the matter has gone as far as we can go now, but my understanding is as I have indicated.

Mr. BENNETT: My information is that the committee dealing with the receivability of the petitions is one of the standing committees of the league. The committee consisting of representatives from Great Britain, Norway and Italy is dealing with the subject matter that we are discussing here to-day, and this country could not as a member of the League of Nations do other than insult the league by taking action when action has already been taken. I tried to make that clear this afternoon.

Mr. CAMPBELL: I quite appreciate that. I was not clear on that point. My understanding was that the committee was circumscribed in its powers, and was dealing only with the subject matter of the petitions. What the Prime Minister has stated, however, would seem to clear the matter up to some extent, and we hope this investigation will have some good results.

Mr. G. D. STANLEY (East Calgary): It is not my intention to prolong the discussion; I desire simply to say a few words of approval of the presentation of the case by the hon. member for Vegreville (Mr. Luchkovich). The Ukrainian people in Canada have made

good citizens. Three hundred thousand of them have come out to this country, most of them to western Canada, and the younger generation have certainly taken on their Canadian citizenship in a very commendable manner. I know many of them intimately and consequently I cannot help feeling a good deal of sympathy towards them in their case.

The League of Nations, as I understand the matter, have set down certain very definite principles dealing with questions of the rights of minorities. There is no doubt that the Ukrainian minority in Poland has certain definite rights. Those, I understand, according to the statement of the Prime Minister (Mr. Bennett) this afternoon, are now under the definite consideration of the League of Nations and will be investigated. Canada has already selected her delegates who will go there with a knowledge of the situation so far as the Canadian people and parliament are concerned. The rights of the Ukrainian minority will be respected and looked after.

Canada is in a peculiar position in regard to the question of the rights of minorities. The soul of Canadian history and progress rests, I believe, to a large extent upon the manner in which the Canadian people have treated their minorities. Those rights have been respected from the earliest days of Canadian history extending down to more recent days, and particularly as applied to the very people of whom we are speaking, when they came out to Canada as a minority and became Canadian citizens.

It is not my intention to deal with this matter at any greater length. I simply wish to express in these few words my approval of the presentation of the matter by the hon. member for Vegreville, and also of the action taken by the Canadian government in respect to its representation at the League of Nations.

Mr. A. U. G. BURY (East Edmonton): I have no intention of trespassing upon the time of the committee for more than a very few minutes. I am glad that the hon. member for Vegreville (Mr. Luchkovich) brought this subject to the attention of the committee for discussion and debate. I am glad, for two reasons, that he did so; first, because it afforded an occasion for the Prime Minister (Mr. Bennett) to make to the house and to the country the statement he made this afternoon as to the present position of this question; in the next place it has given an opportunity to hon. members in all parts of the chamber, representing all sections of political thought, to show that we are of one mind in our attitude on this matter. After all, as the Prime Minister stated this afternoon, the only sanction which international law possesses is the sanction of public opinion, and the more clear, emphatic and insistent public opinion is upon any question of international interest, the greater will be the effective power of those principles of international law which are involved. In no way can the public opinion of this nation better express itself than through the opinion of this house, especially when it is shared so largely by all political sections represented here.

I have no intention of going into the history of the Ukrainian people or the question of the rights of minorities. I shall do no more than deal for a few minutes with the specific matter that has been brought before the committee.

I am not concerned with the wisdom or the unwisdom of the action of the Paris peace conference in dividing up amongst four nations the Ukrainian people and the land which they inhabit. I shall not discuss the question whether the charges which are made and which we have heard to-day are true or untrue. We cannot in that matter arrogate to ourselves the place or the powers or the functions of a judge. For the most part, if not entirely so, the evidence that is brought before us, at least so far as the great majority of hon. members of the house are concerned, is hearsay. It is true that the volume of the evidence, the nature of the authority, the seriousness of the charges, and the sources from which they come, are such as to make it imperative that some action be taken, and I am perfectly certain that the house and the country will accept the statement made by the Prime Minister that action has been taken. As I understand the suggestions of the hon. member for Vegreville, all he had in mind was to call attention to the conditions and to insist that they required some action, some investigation, without saying whether we believe the charges to be true or false. We are not in a position to say whether they are true or whether they are false. But we have a right, I think, to ask for such action, for the sake not merely of the Ukrainian people themselves but also of the Polish nation and the Polish government, whose reputation and good name have been called in question. If the charges are true, they should be proved to be true; if they are false they should be silenced. That is all we ask.

Action should be taken also for the sake of the League of Nations itself. A great many people in Canada and throughout the world regarded the institution of the League of Nations as a more or less utopian idea. They never conceived that it would be possible for the League of Nations to bring about any real

results in the way of pacification or the settlement of great international questions and problems that might be the cause of war. But history has shown that the League of Nations is a practical force, not a mere utopian dream. For the sake of its own reputation and its own effectiveness, for the sake of the hopes that were based upon it when it was brought into being and the hopes that are still harboured in the breasts of people who have faith in its efficiency, it is essential that the League of Nations take action, and I have no doubt that it will do so. No aspersion is cast upon the Polish people by the house, by the people of Canada, or by any of those who support the address of the hon. member for Vegreville. The Polish people themselves say that the charges are not true, and they ask that an investigation shall be made. We are simply taking them at their word. We are only saying that even for their own sake everything should be made absolutely clear; that if the charges are false they should be proved false; that if they are true, then, for the sake of the good name of Poland itself, action should be taken to put an end to that which has occasioned them. That is the position I believe which most members of the house take. That is the position which I myself take.

I have in my hand a letter from the bishop of the Ukrainian Catholic Church in Canada, a gentleman whom I know very well, and he gives me the assurance that the matter is one that does require very serious and very immediate investigation. This in itself would be sufficient to convince me that the matter called for investigation. I rose, Mr. Chairman, simply to say that I am in hearty sympathy with the feelings of my friend the hon. member for Vegreville, and I thank him for having brought the matter to the attention of the committee and thus given us an opportunity of expressing our views with regard to it.

Mr. HARRY BUTCHER (Last Mountain): I also should like to join with hon. members on all sides of the house in congratulating the hon. member for Vegreville (Mr. Luchkovich) on the very able presentation he has made to the house this afternoon of the case of the Ukrainian minority in Poland. I am quite sure that every member of the house will realize that the Ukrainian people of Canada and their compatriots in Poland have had a very able advocate to present their case here to-day. I have in my constituency probably three or four hundred families of Ukrainians, and I have learned to admire them during my twenty years of close acquaintance with them.

I have found them hard-working, law-abiding, and very loyal. I was much relieved to hear from the lips of the Prime Minister (Mr. Bennett) that their troubles are receiving, or will shortly receive, the consideration of the council of the League of Nations, and I am sure we all hope that there will soon be a very happy ending to all their sufferings.

Mr. J. H. STITT (Selkirk): I do not know that I can add anything useful to this debate except to say this: I believe that every member of the house, every Canadian who is a believer in minority rights—and every true Canadian is a true believer in minority rights—is concerned for the peace of the world and the happiness of mankind. In rising to congratulate the hon. member for Vegreville (Mr. Luchkovich) for bringing this question to the attention of the house, perhaps I can best do so by saying that he made such a splendid advocacy of his case to-day that he proves himself to be the best example of the virtue and the capacity of the many Ukrainians who are citizens of Canada.

There are many of these people in my constituency, almost seven thousand. Just before I left the west to come to attend to my duties here I was called upon by a number of influential Ukrainian residents in my constituency, who pointed out to me the extremity of their compatriots in Poland. May I say this, without any intention whatsoever of taking any side on the question, or of giving the slightest offence to any citizen, that when considering this important matter we do well to remember that it was a single shot fired in the capital of Serbia many years ago which precipitated the nations of the world into the Great war. Possibly there is a situation existing in Poland at the present time which, if it were not taken in hand by the League of Nations, might again precipitate the world into a wholesale war.

I am very glad indeed to learn from the lips of the right hon. the Prime Minister that he believes that the best thing which this country can do in the matter is to press it upon the attention of the League of Nations. The League of Nations is the proper tribunal, in fact the only tribunal we have, to work out this great problem of world peace. I am sure that the Prime Minister's announcement will be heard also with satisfaction by the hon. member for Vegreville, who asked in a very reasonable way simply that there might be an impartial tribunal before which this very serious question might be adjudicated upon and determined.

Mr. CAMERON R. McINTOSH (North Battleford): Before this question is finally dealt with I would like to add a few words to what hon. members on both sides of the house have contributed to the debate.

I was pleased to hear the hon. member for Vegreville (Mr. Luchkovich) bring up this question concerning the condition of Ukrainians in Poland. The condition in that country at the present time is described as the sorest on the continent of Europe. Before I left for Ottawa from western Canada, while visiting some of the portions of my riding where Ukrainians have contributed a splendid part to the opening up of that part of Canada, I learned that it was the intention of the Ukrainian organization of western Canada to have the hon. member for Vegreville bring this question before parliament. At that time I said that no better man could bring such a subject to the attention of hon. members of this house. After his address this afternoon that is still my opinion. He made a splendid contribution to the debate, and I am sure his words will be read with interest from ocean to ocean.

While the hon. member was speaking, I thought his words brought two viewpoints before hon. members of this house. The hon. member himself belongs to an organization of his own people which links his people in western Canada to the homeland. The family connection between one's adopted land and one's motherland is always important. Any minority which will allow that bond to weaken will soon be submerged, and such a weakening might not be for the good of the nation of which they form a part. I believe that a nationality to be useful or to do a great work in any land must remember its motherland and also must be true to its adopted home. I believe the Ukrainians in western Canada are trying to follow that sound course. Then I thought of another connection between Canada and Poland, where we are told there is great trouble. I refer to the parliamentary connection, the discussions taking place in parliament, the activity of the League of Nations and the work of the committee which has been appointed by that league to make an investigation. When this discussion is over and the resolution is accepted, I hope the action of parliament will serve to strengthen the hands of those whom we shall send from Canada to attend the meeting of the League of Nations.

Mr. BENNETT: To what resolution is the hon. member referring?

Mr. McINTOSH: The motion of the hon. member for—

Mr. BENNETT: There is no motion.

Mr. McINTOSH: Well, then his suggestion. That does not affect the meaning of the words I am using. I was stating that I hope the discussion in parliament will be as emphatic as possible and that the action taken by parliament will be of a definite nature so that our representation in the League of Nations will be in a position diplomatically and emphatically to present to that organization the viewpoints of the Canadian people. If that is done I believe the investigation will be as full and complete as possible. In the event of the future continuation of the investigation which is now being carried on the record of the action of this parliament to-day will be of importance.

At this time I wish to say a few words about the Ukrainian citizens who compose a part of the population of the North Battleford constituency. These people constitute quite a colony in that federal area. They came into the district about twenty-five years ago and I consider it my privilege to-night to tell the house of the worthy contribution these people have made to the progress of that part of Saskatchewan. The district into which they came was considered anything but favourable. It was very undulating, quite rough, and was not supposed to be first class wheat land. However they came in to that section of northwestern Saskatchewan without money but with determination, fine vision and the high qualities of pioneers. They have done well. They have opened up that area and to-day it is a very productive wheat growing district, with splendid mixed farming possibilities. It can boast of many beautiful homes.

They have a fine patriotism; they have a great love for Canada; they are loyal citizens to king, country and to empire; they are industrious; they are law abiding and they are anxious to get along in life. They are people of integrity and honour; they are not materialistic but have high ideals and do not seem to have any great difficulty in adjusting themselves to their Canadian environment. They are men and women of vision, and that vision has arisen out of their adjustment to new conditions in this Dominion. They are not foreigners, as some people have called them, but they are as good Canadians as we have in Canada.

In that particular area of Saskatchewan the inception of the movement for better organization of those settlers took place many years

ago and the effect of that organization, educationally and socially, has been wonderful. To-day most of the schools in these districts are manned by Ukrainian teachers who are doing good work among the rising generation, a generation which will be worthy of its new Canadian home. One ambition on the part of every father and mother is to send one or two of the family to the higher institutions of learning, to the universities and colleges. To-day the children of Ukrainian families are competing favourably with the children of any other class of people in western Canada. At the present time they are doing great work and we look forward to greater work being done in the future. Last night the Minister of Agriculture (Mr. Weir) made the statement that around the Maple Creek district there are areas of land which never should have been settled. And land broken up in a night would be breaking through a soil texture which could not be rebuilt perhaps in many years. I want to tell the minister that wherever Ukrainians have gone, whether the land has been rough or otherwise, they have broken through all difficulties. Whether it be to put fibre in the land, to build homes, to build educational institutions, to be thrifty and save money, to get ahead in life, to take part socially, educationally or otherwise in the building up of their country, the Ukrainians are on the job all the time and they can be thoroughly depended upon to do their work successfully.

I do not intend to go into the history of the Ukraine. The hon. member for Vegreville told us this afternoon that the Ukrainian people had a glorious past, that in days gone by they had a great and mighty kingdom, but that kingdom was overthrown, and from that time until the conclusion of the war in 1918 the Ukrainian people had never ceased their efforts to regain their lost sovereignty. But their hope that the treaty of Versailles would recognize their claims to self-determination were disappointed, and their country was included in the new Polish state, with the disastrous consequences to the Ukrainians that we have heard detailed this afternoon.

I believe it is the desire of all our Polish settlers in western Canada that the charges be investigated fully and that the good name of Poland be vindicated. On the other hand, our Ukrainian settlers feel that to a large extent their indictment can be substantiated, and they too want a thorough investigation, so that if they prove their case the League of Nations will take action and see that justice is done. But, Mr. Chairman, even if the present situation is adjusted in a manner satisfactory to the Ukrainians, I do not think it will satisfy their aspirations, for they look forward to the day when their claim to self-determination will be recognized and they will become an autonomous nation.

Mr. BENNETT: Mr. Chairman, I hope the hon. gentleman will pardon me, but he is now advocating something that the League of Nations distinctly says should not be done. I speak simply as the representative for the moment of the League of Nations. To suggest the erection of an autonomous community within another is forbidden by the league, and I appeal to the hon. gentleman not to place this parliament in the position of being censured by the League of Nations by taking a position that is wholly at variance with the principles of the league and its statutes with respect to this question to which we have acceded. It is not a matter of order, it is a matter of debate.

Mr. McINTOSH: I was not attempting to link up parliament or the League of Nations with that viewpoint at all. I plainly stated that that was the viewpoint of the best educated Ukrainians in western Canada, but I am quite willing to deal with the question in a limited way, if, as the Prime Minister has intimated, if it will help forward a satisfactory settlement between the two peoples.

The minorities treaty is quite definite on what treatment ought to be accorded to the Ukrainian people. Article 2 definitely states that there must be protection of life and liberty; article 7 provides that all shall be equal before the law; it is also provided that the enjoyment of civil or political rights, as, for instance, the admission to public employments, functions and honours, or the exercise of professions and industries, must be guaranteed; and article 8 provides that the Polish nationals who belong to racial, religious or linguistic minorities shall enjoy the same treatment in law as the other Polish nationals, and particularly that they shall have an equal right to establish, manage and control at their own expense, charitable, religious and social institutions, schools, and other educational establishments, with liberty to use their own language and to exercise their own religion freely therein.

May I conclude, Mr. Chairman, by expressing the hope that, when this question is brought before the League of Nations by the delegates from Canada, the report soon to be tabled by the committee of investigation appointed by the league will prove of such a nature that the aspirations of the Ukrainians will be realized, that harmony will grow out

of discord, and that not only will the Ukrainian people feel satisfied, but that the adjustments between themselves and their Polish fellow citizens will be of such a nature as still further to promote the peace of the world.

The CHAIRMAN: Shall the item carry?

Mr. MACKENZIE KING: If we are through with the discussion, before the item itself carries may I ask my right hon. friend just what the increase of $20,000 is for. The item is:

Canada's contribution to the expenses of the League of Nations for 1931, including secretariat, international labour organization and permanent court of international justice.

There is an increase of $20,000.

Mr. BENNETT: The $20,000 increase, if the right hon. gentleman will recall the circumstances, arises out of the construction of the new building and a slight increase in the contribution, which is arbitrarily fixed. The whole question of the cost has been gone into from time to time, as he knows. The entire annual cost of the league started at $4,000,000 and it has risen since 1921 to approximately $6,000,000. That has not been regarded as a large increase having regard to the expansion of the work which has been undertaken. The new building has been perhaps a little more expensive than was originally contemplated, as buildings usually are, and the slight increase in our contribution represents that, as I have said. Generally the staff has not been changed. As my right hon. friend knows Mr. Riddell has represented us there almost since the inception of our representation permanently at Geneva. Lieut.-Colonel Vanier remained there until he was seconded to London a few days ago. His place has not yet been filled; the matter is under consideration. The provision that is made in the estimates contemplates there being someone there to do the work that Lieut.-Colonel Vanier attended to.

Mr. MACKENZIE KING: Has Lieut.-Colonel Vanier permanently left Geneva?

Mr. BENNETT: He has been seconded to London.

Mr. MACKENZIE KING: Is he permanently associated with the London office?

Mr. BENNETT: I would not say permanently. He has been seconded to London and appointed to the position formerly occupied by Mr. Pacaud who has resigned.

Mr. MACKENZIE KING: It is a fact that Mr. Pacaud has resigned?

Mr. BENNETT: Yes.

Mr. LUCHKOVICH: Mr. Chairman, in view of the many questions asked me by hon. gentlemen in the recess since six o'clock, I think it would be a good plan on my part to give some information to them, but before I do so I wish again to express my appreciation of all the speeches that have been delivered to-day on this question. Possibly in my presentation of the case I have been somewhat harsh, but that must be excused on the ground of the occasion and circumstance. When I came to Canada I was a boy of fifteen and I came alone. I hardly knew a single person in this country. And before I was fifteen I hardly knew that there were such people as Ukrainians in the world. I could not speak a word of Ukrainian.

I was asked to present the case on behalf of the Ukrainians in Canada, and the reason for that, I suppose, is that I am of the same descent. Many hon. members have discussed the subject to-day in a cultured and admirable manner and I should not like the opportunity to pass without congratulating them on the way they have presented it from their point of view. The hon. member for East Edmonton contributed a fine speech to the debate. I realize, Mr. Chairman, that the members of this house could not treat this question in any other than a spirit of fair play, for it would be folly for any hon. gentleman to make any appeal to race prejudice such as would aggravate or strain the relations between Poles and Ukrainians in Canada.

There is one matter to which I wish to refer, suggested by the remarks of the hon. member for East Edmonton. The hon. gentleman mentioned a letter received from the bishop of the Ukrainian Greek Catholic church.

Mr. BURY: Not the Greek Catholic church, the Roman Catholic.

Mr. LUCHKOVICH: At any rate the letter came from a bishop recommending a discussion of this matter in the House of Commons. May I state here that the former bishop of the Ukrainian Greek Catholic church, Bishop Budka, is now in eastern Galicia, and in a report which appeared in the Chicago Tribune of April 24 I find the following:

Bishop Nicetas Budka, fifteen years head of the Ukrainian Greek Catholic church of Canada, who was transferred back to Galicia, told me how, hearing of the "pacification

measures," he immediately went to the village where his invalid mother had been bedridden for two years. He found her sleeping on the floor in the remnants of her bed clothing. She had been tossed from bed by the soldiers, who ripped it to pieces searching for arms.

From this, hon. members will gather that even the former bishop of the Ukrainian Greek Catholic church in Canada has not been immune. If hon. members wish further information with respect to the technicalities and machinery provided by the League of Nations in regard to minorities, I suggest that they ask that very learned Canadian, Dr. Skelton; I am sure he would furnish it.

I would refer now for a moment or two to the manner in which petitions are presented and heard in the House of Commons. I was very much pleased to hear two great Canadian lawyers speak to-day on this subject, the right hon. the leader of the government and the former Minister of Justice. I do not know whether the right hon. the leader of the opposition is a lawyer, but I am under the impression that I have heard him on one or two occasions deprecate the fact that he was.

Mr. MACKENZIE KING: I am very sorry I am not.

Mr. LUCHKOVICH: I was glad to hear the matter presented so ably from the legal standpoint to-day. Now I wish to read from a report of the 36th convention of the International Law Association, and I am going to read this because there is a good deal of suspicion on the part of minorities about the way the League of Nations treat minority questions. These minorities believe that the success of the league in dealing with such questions is rather on a par with the performances of the surgeon who carries out a successful operation, althought it is reported that the patient died. I shall read this report as I have it:

Thirty-Sixth Convention Of International Law Association

Held at the house of the Association of the Bar at 42 West 44th street, New York City, September 2 to September 10, 1930.

Session of September 8, 1930, subject "Minorities" (as reported in New York Times September 9, 1930.)

Jurists Ask Leave To Help Minorities
World Law Session Proposes Permanent Commission to Protect Racial Groups
Finds War Peril In Unrest
Geneva's Handling of Dominated Peoples' Protests is Criticized

With a warning before them that the plight of minorities in central Europe was dangerous to world peace, the jurists of the International Law Association, representing a score of countries, called upon the League of Nations yesterday to create a permanent minorities' commission to protect subordinate racial groups and investigate discriminations against them.

[Mr. Luchkovich.]

Coupled with the association's request was a criticism of present procedure before the league in relation to the disposition of protests from minorities. Provision was not yet adequate for proper publicity on the findings in each case, the jurists held, and protestants had no opportunity to reply to an official defence presented by the government in question.

The warning of impending peril in the make-up of the European map was enunciated by Dr. Paul de Auer, leader of the Hungarian Peace Society and counsel to the Bank of France. Despite the American slogan, "self-determination of nations," in the world war, the peace treaties had left a larger number of peoples living under foreign domination than before the war, he declared.

Sees World Peace in Danger

"Self-determination has not been respected," he continued. "Millions and millions of population have been simply transferred into other countries, incorporated in other states, without having been asked, without having been given the opportunity of self-determination by plebiscite.

"The atmosphere will not be clear in central and eastern Europe until minority questions are satisfactorily settled. The present discontent of great masses leads to permanent uneasiness and is dangerous not only to the minorities but chiefly to the States to which they belong and to the peace of Europe and the world."

The request directed to the League of Nations was embodied in a report of a committee headed by R. E. L. Vaughan Williams of England which was adopted unanimously. A permanent minorities' commission of the league, the report says, could insist upon the preservation to minorities of such fundamental rights of justice and equality before the law as are set forth in the minorities' protection treaties.

The report also suggests that the commission should have power to investigate as to whether there are infringements of the guaranteed protections.

"It has been alleged," says the report, "that certain laws indirectly and in a disguised form affect minorities unfairly; that by certain laws a discretion is given to the administrative authorities who act in an arbitrary manner unfair to minorities; that there are no proper provisions for appealing by due process of law against administrative decisions; that minorities are not given their fair share of land under agrarian reform; that educational facilities are denied to minorities in respect to their language; that the free exercise of their religion has been denied to certain communities in breach of the treaty rights.

"Your committee, while of course expressing no opinion, as to the facts alleged, feel strongly that it is for the good of the states concerned, no less than for that of the minorities, and in the best interests of peace, that such charges should be investigated in the manner above suggested."

To buttress what has been said in this report I will quote an article which is very pertinent to the question, as it appeared in the Manchester Guardian some time ago:

Amongst the Ukrainian petitions submitted to the league there was one drafted and signed by Mme. Milena Rudnicka, who is well known

in the international women's movement as a person of high intelligence, integrity and heroism. Amongst very many petitions sent in to the league since the "pacification" (as the Polish excesses committed in the Ukraine last October are officially termed) here is one of the few that have been carefully and intelligently drafted. It also included the most comprehensive record that has yet been made of the "pacification." I have referred to this report in a previous message—it is a document of about eighty pages of typescript, and is of fundamental importance (it was included in the interpellation made by the Ukrainian members of the Polish parliament). Indeed, to disregard this document would be a grave if not a fatal omission in any inquiry into the subject.

I now learn that the league secretariat has formally declined to regard Mme. Rudnicka's petition as "receivable." So far six Ukrainian petitions have been declared "receivable." One of these six is a flimsy document by a Ukrainian resident in Paris. There is good reason to believe that some, at least, of the others are also badly drafted, and feebly provided with documentary evidence.

It is possible that the report embodied in Mme. Rudnicka's petition is embodied in one or more of the other petitions also, in which case it is too early to say that this report will not be dealt with by the league. But the fate of Mme. Rudnicka's petition is bound to raise grave doubts as to the way petitions are treated by the secretariat. The number of Ukrainian petitions sent in within the last few months grows into hundreds; to pick out a few of inferior quality that can easily be pulled to pieces by those astute people who are anxious that nothing may come of any Ukrainian petition would not be particularly high-minded. To say that this has actually happened would be premature.

Why Mme. Rudnicka's petition has been rejected is not stated. It certainly conforms to at least four out of the five conditions that were laid down by a resolution of the league council in September, 1923—(1) that its purpose is the protection of the minorities in conformity with the treaties; (2) that it is not put in the form of a demand for a rupture of political ties between the minority in question and the state of which that minority is a part; (3) that it does not emanate from an anonymous or doubtful source; (4) that it contains matter which has not been the subject of previous petitions; (5) that it is drawn up without violence of language.

None of these five points has been left unfulfilled in Mme. Rudnicka's petition with the possible exception of the fourth. If a previous petition that had been declared "receivable" includes the eighty-page report then little harm will have been done. But if not, then Mme. Rudnicka's petition will have conformed to the fourth point also, for the report is new material. In that case the rejection of Mme. Rudnicka's petition would be a great wrong.

Additional facilities for the hearing of petitions by the League of Nations should be provided. There are four matters to which I would direct the attention of hon. members as pertinent and relevant to the case. They are as follows:

Woodrow Wilson's fourteen points.
Treaty of Versailles.
Decision of the Council of Ambassadors.
The Minority treaty.

Under the first heading I would refer to the following:

Number 10. The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity of autonomous development.

Number 13. An independent Polish state should be erected which should include the territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant.

(Promulgated in address to congress, January 8, 1918).

Under the second heading, Treaty of Versailles, I quote the following:

Article 93.

Poland accepts and agrees to embody in a treaty with the principal allied and associated powers such provisions as may be deemed necessary by the said powers to protect the interests of inhabitants of Poland who differ from the majority of population in race, language, or religion.

(Signed, June 28, 1919).

This treaty is often confused with the minorities' treaty, but they were separate treaties although signed on the same day. The third document to which I desire to make reference, the Decision of the Council of Ambassadors, reads in part as follows:

The British Empire, France, Italy and Japan, signatories, together with the United States, as principal allied and associated powers, to the treaty of Versailles:

Whereas, according to the terms of article 37, paragraph 3, of the above treaty they shall establish the frontiers of Poland, not specified in that treaty.

I am reading only those parts which refer to the subject matter under discussion. The document continues:

Whereas, Poland has recognized that as Eastern Galicia, the ethnographical conditions make a regime of autonomy necessary;

Autonomy has been promised to the Ukrainians in the western Ukraine and in eastern Galicia. The document continues:

Whereas, the treaty between the principal allied and associated powers and Poland, signed June 28, 1919, provides in all territories placed under Polish sovereignty special guarantees in favour of racial, linguistic, or religious minorities.

I will not read the remaining paragraphs as they do not relate to this matter. That document was signed by the Polish plenipotentiary, Maurice Zamoyski at Paris on March 15, 1923. I will not quote from the minorities, treaty because it has been referred to already, not only by myself but by other hon. members. I would also like to quote an article by Mr. H. Wickham Steed. This appeared in the Review of Reviews of December 15,

1930, and presents such a good case for the Ukrainians that I feel I must read it. It is as follows:

The Case of Poland. In no country is the precise and impartial ascertainment of facts more necessary than it is in Poland, and no country has a greater interest in presenting to the world an irrefutable case. Polish methods of repressing incendiarism and other acts of sabotage, of which sundry Ukrainian groups were guilty last Autumn in east Galicia, have been brutal to a degree which reasonable Poles are the first to deplore and condemn. While it may be true that these acts were instigated or encouraged from Berlin, the fact that they were committed justifies neither the neglect of the Polish government to remove legitimate Ukrainian grievances, nor its folly in playing into the hands of its enemies by dragooning whole Ukrainian districts. The folly was the greater because it strengthened the hands of Poland's detractors who lose no opportunity of declaiming against the Polish corridor and the Upper Silesian settlement. The case of the Polish corridor is far stronger than the public in western Europe and in the United States understands. Poland has nothing to lose by an impartial ascertainment of the facts concerning it and, especially in regard to the position of east Prussia. But Poland or rather the "Cabinet of Colonels" by which Marshal Pilsudski has thought fit to surround himself, chills many sympathies by the adoption of methods similar to those employed by the old bolshevist regime in Russia or by the fascist dictatorship in Italy.

This is all I have to say on this subject at the present time. May I conclude by again extending my thanks to all hon. members who have participated in this debate. The people who asked me to sponsor this presentation appreciate the opportunity afforded, and I extend their thanks to the right hon. the Prime Minister and the right hon. the leader of the opposition for helping to facilitate the discussion on the minorities question.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Chairman, it is perhaps desirable that I should make two or three additional observations, not to trespass upon the time of the committee but rather to clarify a situation which I think has been somewhat obscured by reason of the fact that there is an earnest desire on the part of a large number of hon. members in this house to indicate their sympathy with a people so largely represented in their constituencies.

We might as well realize that this country is a member of the League of Nations and that accredited to this country at the moment are several Polish consuls. As regards the Ukrainians, as the hon. member for Vegreville pointed out, they are at present, so far as we are concerned, citizens of Poland. That is one of the difficulties which the house has not frankly realized.

[Mr. Luchkovich.]

When you begin to discuss the internal government of a friendly power, you are on very dangerous ground. It is not the duty of this Dominion to undertake to advise people how they should govern themselves. That is their business. On the other hand, there is an obligation upon us as a member of the League of Nations, and it is a rather serious obligation, not to reflect upon the other members of that league, and hon. gentlemen have been fair enough to realize that. The league having now undertaken a responsibility—and a very serious one it is—must carry it through, and we may find ourselves at the appropriate moment voting to determine what action the league shall take. Therefore it is of the utmost importance that an open mind should be kept with regard to these problems.

I certainly sympathize with the hon. member for Vegreville. As he said, he might be pardoned for taking a strong view with respect to this matter. Would one not expect him to do so? Would one not expect any young man who came to this country at the age of fifteen of the same stock as the people of whom he speaks, to have a strong view with respect to the matter? We know that under similar circumstances we would, and we expect it in his. There is a great difference between Canada and other countries on this continent in this regard. Under our constitution, if the rights of minorities are affected, recourse may be had to the courts. Barrett vs. the City of Winnipeg is the outstanding case on the subject. In that case the privy council decided there had been a prejudicial interference with minority rights with respect to education in the province of Manitoba. Later the privy council decided that the minority was entitled, under the provisions of section 93 of the British North America Act, to remedial legislation. There you have a tribunal which determined that rights had been taken from the minority and, secondly, that the minority had a right of redress under the constitution itself. That is where the position is not analogous to that of the Ukrainians in Poland, for it is not the constitution of Poland that is concerned, but a treaty made by the country to which they owe allegiance with other countries of the world. Thus far no international court has been set up that can by adequate and appropriate sanctions take effective action in cases of violations of treaties. In other words, the science of international law has not reached the stage in its development where a court of international justice, by its judgment, is able to decree and carry into effect a decree with respect to the violation of treaty rights by the government, over a portion of the population it governs.

There is the clear distinction. It is unnecessary to remind the house that during the last few years great progress has been made. There has been a persistent and continuous endeavour on the part of representatives of all democracies to ensure that some tribunal be set up that might not only have the jurisdiction to determine matters of this kind but also have power by appropriate sanctions to see that its decrees were enforced. That time has not yet arrived in our developement in international affairs. Perhaps later, during the discussion of the General Act, I may have occasion to make a few observations, but at the moment may I again assure the hon. gentleman that the delegation which represents Canada at the next meeting of the league will do everything that can be done to ensure that justice—and who would not like to see justice attained and who does not know how difficult it is of attainment?—is done alike to the Ukrainians and the country of which they are citizens.

I could not, of course, in the position which I occupy for a single moment, permit without at least some protest, anything to be said that would indicate that the parliament of Canada was seeking by any intervention on its part to secure the setting up of a new government by a portion of the population of Poland. To do that would be ruinous to the position of this Dominion as a member of the League of Nations. If I might say so, I know from what the hon. member for Vegreville has said to me, he thoroughly appreciates that position, thoroughly understands the implications of it, and he has very well refrained from making that suggestion, except as it might be inferentially understood from what was said by another and not by himself in one of the quotations read into the record. That being the case, I am sure a very useful purpose has been served by this discussion. I trust not the least useful part of it has been that part which has brought home to us a sense of our own responsibilities and also, so far as it may be possible, by a country new in international affairs, a realization of what age-old conflicts, conflicts that are not a century but sometimes several centuries old, mean. Those who followed the history of the great war, and remember the battle between the Serbs and the Turks, will recall that in the opening sentence of the history of that time, we are reminded that the success by the Serbs meant victory in the conflict that had been waged for centuries. So it is that we have here age-old animosities, age-old difficulties that will not be solved in a single minute, and least of all by a new democracy 4,000 miles away from the spot where the differences arise. If the discussion has brought to our minds that sense of responsibility, it has certainly been useful.

It has also been useful inasmuch as it has brought to our attention the fact that there are two sides to every question. When the hon. member referred to the pamphlet that had been issued on behalf of the Ukrainians and in the next breath referred to the pamphlet issued on behalf of the Poles and their counter-allegations, he made the case complete, and we are not judges in Israel or elsewhere. Least of all are we judges of the conditions in Poland, because if we accept one story, we must arrive at one conclusion, and if we accept the other, we must arrive at a different conclusion.

As I said a moment ago, humanly speaking there is nothing so difficult to attain as justice, for it is not easy for any of us to think in terms of absolute righteousness and justice. In this instance we are not abrogating to ourselves the right to determine where justice lies between two contending parties. We can only say that men, women and children numbering 300,000 or thereabouts in this Dominion are interested in the welfare of their kinspeople in the land whence they came, believe they are not receiving their rights under the treaty that Poland made with the nations of the world, and ask at our hands that every possible facility be provided to make known the extent to which that treaty has been violated, if at all, and what would be the appropriate steps to take if it is established that there has been a violation of its provisions. That, I think, has been the result of this discussion. So far as the government is concerned, it will endeavour to the best of its ability to see that those who represent Canada make known the claims that have been presented so admirably, if at times with some feeling, as the hon. gentleman said, a feeling which we can rightly and properly understand, to those who have the enormous, the tremendous responsibility of determining the rights of contending parties in order that justice, the end aimed at, may be done to all.

Mr. LUCHKOVICH: Just a parting word. When I broached this subject first to both the leader of the government and the leader of the opposition, I told them that it was with no intention of putting something over parliament. I have presented the facts as I got them from certain parties. Whether they are true or not, it is not for me to say. I hope that the committee of three will find out whether the allegations are right or wrong.

If they are wrong, I shall be glad to know it; if they are right, I shall be glad to know it. I hope they are right, but if they are wrong, I shall be one of the first to admit that they are wrong. With respect to my relations to Canada and my relations to the country whence my parents sprang, I should like to tell this house that my first loyalty is to Canada and I say quite sincerely to you, Mr. Chairman, and to the members of this house, that if those relations should conflict the Ukraine would have to be forgotten because I am first of all a citizen of Canada and to her I owe my absolute loyalty.

Mr. SPENCER: Would the Prime Minister inform the committee on what basis the expenses of the League of Nations are allocated among the different members of the league?

Mr. BENNETT: The expenses were first determined on the basis of our contributions to the postal union. That was found to be very unsatisfactory, and now an arbitrary sum is fixed by a committee of the league itself. If the hon. gentleman so desires, I shall give during the discussion of some other item the exact contributions that have been assessed against this country since the day we first became a member of the league. I have not that information beside me at the moment.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Roads and Bridges

Des Joachims bridges—repairs, etc., $1,350.
Burlington channel bridge—maintenance and repairs—under contract, $16,000.
Dominion roads and bridges—generally, $7,000.
Edmonton—repairs to bridge, $2,500.
Interprovincial bridge over Ottawa river at Hawkesbury, the Quebec government to contribute one-third of cost of construction only, the Ontario government to contribute one-fourth of cost of construction and to pay annually one-fourth the maintenance costs—under contract, $122,000.
Kingston—wharfs and bridges—maintenance and repairs, $11,000.
Ottawa—maintenance and repairs to bridges and approaches, $6,000.
Portage du Fort—repairs to bridges, $1,200.
Repairs to international bridge over St. John river at Edmundston, N.B., $3,200.
Repairs to international bridge over St. John river at St. Leonard's, N.B., $3,000.—Total, $173,250.

Mr. BERTRAND: With respect to the interprovincial bridge at Hawkesbury, would the minister give the date of the opening of the tenders and state when the contract was awarded?

[Mr. Luchkovich.]

Hon. H. A. STEWART (Minister of Public Works): The amount of $122,000 is required to provide for the government's share of the cost of completing the interprovincial bridge now being constructed over the Ottawa river at Hawkesbury. An order in council was passed on August 5 accepting the lowest regular tender of Farley and Grant.

Mr. BERTRAND: Up to what date were the tenders received?

Mr. STEWART (Leeds): I have not that information.

Mr. BERTRAND: What wages were supposed to be paid to the labourers on that work?

Mr. STEWART (Leeds): The schedules are from time to time procured from the Labour department, and are attached to and made a part of the contract.

Mr. BERTRAND: There was a schedule attached to this contract when it was awarded. I hold in my hand one of those schedules, and according to the schedule the wages to be paid to the labourers on that work were 45 cents an hour. Later, the contractor who was awarded the contract paid the labourers only 35 cents an hour. Complaints were made by the labourers from Hawkesbury, and after considerable correspondence had been exchanged between the Department of Labour, the Department of Public Works, and the interested labourers, an additional five cents was remitted to these men; which proves that a reasonable wage was not being paid to the labourers. Now they have applied to the Minister of Labour for the 45 cents an hour which they were originally supposed to get. I am under the impression that this schedule which I have here, showing a rate of 45 cents an hour, was even placarded on the works. I shall not take time to read all this correspondence which I have here. I will simply say that the Minister of Labour wrote that he was fixing a rate of 40 cents an hour. This trouble over the wage rate has created a lot of uneasiness in the district. The contractors knew very well when they submitted their tender that they were expected to pay 45 cents an hour for labourers. Later on, as I said, the Minister of Labour decided that 40 cents an hour was a reasonable wage on this work. As the Minister of Labour has not a seat in this house I appeal to the Minister of Public Works. The contractor most certainly based his price, when submitting his tender, upon a labour cost of 45 cents an hour. The labourers received only 35 cents an hour, and later five cents an hour more was added.

There is an additional five cents an hour not accounted for. The labourer has not got it, and the labourers are asking themselves if the government is taking the part of the contractor rather than supporting the interests of the labourers. If that is not the case, where did this other five cents go to?

Mr. STEWART (Leeds): My understanding is that the rates are determined by the prevailing rate of wages in the locality where the work is done. This is an interprovincial bridge, and possibly there is some difference between the rate in the Province of Ontario and the rate in the province of Quebec. Such differences are adjusted through the Department of Labour. I can assure my hon. friend that the Public Works department sees to it, wherever complaints are made, that the provisions of the contract in respect to the payment of labour are carried out. The Minister of Labour is really the referee in the matter. He is the one to whom we refer and with whom we consult when conditions of this kind arise. I shall draw this matter to his attention and have it further investigated.

Mr. BERTRAND: Before the tenders were called for, the Department of Labour sent a representative to Hawkesbury, and I believe he made an investigation and a report to the Department of Public Works. The report states the different salaries to be paid to the different trades or classes of labour employed. In the report attached to the tenders it is stated very plainly that labourers are to be paid 45 cents per hour.

Mr. STEWART (Leeds): I do not know whether they have been or not. If there is a complaint I suggest it be made to the Department of Labour; that department will take up the matter with the Department of Public Works and if possible have it adjusted.

Mr. BERTRAND: I would not like to retard the progress of the item, but would the minister allow me to produce correspondence to show that they were not paid 45 cents?

Mr. STEWART (Leeds): I should be glad if my hon. friend would furnish me with evidence that the contractor had not fulfilled his contract with respect to the payment of labour. We are in a position to investigate the matter, ascertain through the Department of Labour what has been done, and adjust grievances where it is possible to do so.

Mr. BERTRAND: I think the minister ought to be satisfied that the price stated in the schedule to be paid to this class of labour was 45 cents per hour. May I read a letter written by the contractor on February 20, 1931 to one of the interested parties:

> Re: Hawkesbury-Grenville Bridge
> The matter of wage rates for labourers on the above work has been determined by the Department of Labour to be forty cents (0.40c.) per hour.

It was fixed at 45 cents, and as I said a minute ago it was revised by the Department of Labour some time in February and placed at 40 cents.

> You worked in 1930 a total of 510½ hours for which you were paid at the rate of 0.35 cents per hour. There is therefore coming to you an amount of 510½ hours at 0.05 cents per hour or a total of $25.52 for which you will find our cheque No. 5227 dated April 15, 1931.

Then there is a section of the letter which I shall not read. It is more or less of a personal character. Then, to continue:

> Enclosed you will find duplicate receipt forms which we would ask you to sign and return to this office immediately upon receipt of enclosed cheque dated April 15, 1931.

The situation is that when the 5 cents was refunded each and every man was compelled to sign a receipt in duplicate so that he would not have any come-back on the contractors for the original rate. Before the signing of the receipt this contractor was sure that the Department of Labour would refix the salary at 40 cents per hour, instead of adhering to the first schedule on which they had based their price when they bid at the rate of 45 cents per hour. If these contractors bid having in mind the fact that they were to pay the labourers 45 cents per hour and if the labourers did not get the last 5 cents, where did that 5 cents go? I would ask the Department of Public Works if in that instance they are not especially protecting the contractors.

Mr. STEWART (Leeds): The rates for labour are not based upon the estimates of what contractors propose to pay. They are based upon what the Department of Labour considers a fair and reasonable wage, and if the contractor makes his estimates too low, he is the loser.

Mr. BERTRAND: I am not quite satisfied with the answer made by the minister. Supposing the schedule had been fixed at $1 per hour for labourers, would the minister suggest that the contractor would have fixed the same unit price to do that work?

Mr. STEWART (Leeds): Again I would say to my hon. friend that we are not controlled by the action of the contractors. We are controlled by what is considered a reasonable, fair and decent wage in the locality,

and that figure we secure for labourers regardless of what the estimate of the contractors may be. I am sure if the contractor estimated his wages so much above the current rate he would not be the lowest tenderer. We have no way of learning what the contractor's estimate was, and we decline to be bound by it.

Mr. BERTRAND: Does the minister say that in spite of the schedule providing for 45 cents per hour these labourers will have to be satisfied with 40 cents per hour because they were paid 35 cents in the first place and the Department of Labour requested a payment of 5 cents more? When the cheques were handed over for the payment of the last 5 cents these men were compelled to sign a duplicate receipt in order to show that they would have no further claim.

Mr. STEWART (Leeds): I can only repeat that the Department of Labour is organized for the protection of labour.

Mr. MACKENZIE (Vancouver): It is not protecting in this case.

Mr. STEWART (Leeds): In this case whatever rate the Department of Labour has determined is reasonable and proper under the circumstances must be the schedule prevailing. On that basis payment must be made.

Mr. BERTRAND: I want to repeat that the schedule in the original contract provided for 45 cents.

Mr. STEWART (Leeds): No. The schedule of the contractor was apparently at the rate of 45 cents. They were paid at 35 cents, and then as I understand it the Department of Labour raised the rate to 40 cents and they were paid on that basis.

Mr. MACKENZIE KING: Was there not a schedule prepared and inserted as part of the plans and specifications when tenders were called for? If so, what was the rate therein set out?

Mr. STEWART (Leeds): There would be a schedule prepared at that time.

Mr. MACKENZIE KING: What would the rate be according to the schedule?

Mr. BERTRAND: I hold the schedule in my hand; it was 45 cents per hour.

Mr. DUFF: Read it; put it on the record.

Mr. STEWART (Leeds): Is that the schedule which was attached to the contract and made part of it, or is it some other schedule?

[Mr. H. A. Stewart.]

Mr. BERTRAND: Of course it is the schedule attached to the contract.

Mr. STEWART (Leeds): I do not know what was attached to the contract.

Mr. DUFF: Read it.

Mr. BERTRAND: This document is headed Labour Conditions, and is as follows:

(1) No workmen employed upon the said work shall at any time be paid less than the minimum rates of wages, nor shall work more than the number of hours set forth in the following schedule:—

Schedule of Wages and Working Day Hours

Trade or Class of Labour	Rates of wages not less than
Operating engineers	.85 per hour
Carpenters	.70 per hour
Stone masons	1.25 per hour
Divers	1.00 per hour
Firemen	.55 per hour
Blacksmiths	.65 per hour
Blacksmiths' helpers	.50 per hour
Cement finishers	.60 per hour
Cement workers	.50 per hour
Cement mixers	.50 per hour
Cement floaters	.50 per hour
Cement mixer operator	.60 per hour
Drill runners	.55 per hour
Powdermen	.50 per hour
Labourers	.45 per hour
Driver with horse and cart	5.00 per day
Driver with team and wagon	6.50 per day
Truck driver	.50 per hour
Boatmen	.50 per hour
Machinists (repair men)	.65 per hour

The minister will notice that labourers were rated at 45 cents per hour under the contract.

An hon. MEMBER: Is that signed?

Mr. BERTRAND: This particular document is not signed, but I am positive that it is an exact copy.

Mr. STEWART (Leeds): As I have said already to my hon. friend, I will take the matter up with the Labour department and see if the contractors have fulfilled their contract and paid the stipulated rate of wages.

Mr. BERTRAND: I thank the minister and I hope he will take the matter into consideration, because there is a letter from his department stating that this case was discussed with the Department of Labour and that that department had made an arrangement regarding it. We claim that the later arrangement is not quite fair, because they have cancelled the first schedule of 45 cents and are allowing the men only 40 cents. The contractors first asked the labourers to accept 35 cents and on the Labour department insisting that the rate be 40 cents, the contractors required the men to sign a duplicate receipt for the extra 5

cents in full discharge of all claims, so that later they would not be able to claim the original rate.

Mr. VENIOT: Is it not a fact that when a proposed work is to be undertaken the chief engineer of the Department of Public Works invites the resident district or provincial engineer, as the case may be, to state the local scale of wages? Then if the scale is higher than that on which the cost is estimated, the estimates are revised before tenders are called for, so that anybody wishing to tender can ascertain from the district engineer what the wages will be and tender accordingly. If in this case they tendered on a wage scale of 45 cents, and are now allowed by the Department of Labour to pay 40 cents, they are making that much more profit out of the labouring men than they intended to do. I hold in my hand a specimen of the form sent out to the district engineer, and it contains this paragraph:

With reference to proposed wharf at so-and-so, please note the following scale of wages as set forth by the Department of Labour:—

Then the scale is set forth for carpenters, blacksmiths, driver with horse and cart, driver with team and wagon, and so on, and there is a request to be advised if these rates will affect the estimates cost. So the man who tenders has every opportunity of finding out from the district engineer what wages he will have to pay under his contract.

Mr. BERTRAND: If the minister is satisfied to let the item stand so that he may investigate the matter, I will not deal with other objections for the moment.

Mr. STEWART (Leeds): I cannot do more than again assure my hon. friend that that matter will be taken up by the Labour department in the light of the terms of the contract, and justice will be done these men. My hon. friend suggests that we may be taking the part of the contractors. I assure him that nothing of that kind is being done; we feel that our first duty is to protect labour.

Some hon. MEMBERS: Carried.

Mr. BERTRAND: The more my hon. friends opposite say "carried" probably the further I will go. I think I have been fair to the minister. I have not given a single name, I have not tried to put anybody in the hole. All I have asked is that these labourers at Hawkesbury be treated fairly. If hon. gentlemen opposite are not satisfied with this method, I can do it otherwise.

Some hon. MEMBERS: Go to it.

The CHAIRMAN: Order.

Mr. BERTRAND: The minister says he is going to take the matter up with the Department of Labour. My reason for asking that this item stand for the moment in order that further information may be supplied the committee is based on this letter:

Mr. Roméo Bazinet, Secretary,
"The Bridge Workers,"
P.O. Box 73,
Hawkesbury, Ont.
Dear Sir,—

I beg to acknowledge receipt of your letter of February 23, as regards the scale of wages in connection with the contract for the Hawkesbury-Grenville bridge, I noted carefully the various points to which my attention was drawn. In answer, I wish to inform you that the stand taken by this department in the matter is clearly set out in my letter of February 13, and, in my opinion, the rate mentioned in that letter should be acceptable to the workers concerned.

This letter is written in French and signed by Mr. Ward, Deputy Minister of Labour. He states very plainly that a decision was given, that he reconsidered it again, and refers to a previous letter of February 13th.

Mr. DUFF: Read the letter.

Mr. BERTRAND: It is as follows:

Ottawa, February 13, 1931

Mr. Roméo Bazinet,
"The Bridge Workers,"
P.O. Box 73,
Hawkesbury, Ont.
Dear Sir,—

I am directed by the Minister of Labour to acknowledge receipt of your letter dated on the 9th instant, enclosing copy of the proceedings of the meeting held by workers employed on the construction of the Hawkesbury-Grenville bridge, as well as a list of the employees present at that meeting, and recommending to the department the wage rates which have been referred to.

It would perhaps be of interest to you and the workers whom you represent, to know that not one single claim was received from the workers employed on the contract of the Hawkesbury-Grenville bridge, while the work was being carried out, and that, in fact, no complaint reached us before many weeks had passed after the work had been discontinued, for the season at least. Long before claims were received the department on its own initiative . . . .

I wish to draw your attention to this passage for although it was stated that there had been no complaints, there had really been complaints made, as this part of the letter will show:

Long before claims were received, the department on its own initiative carried out inquiries, among others, one in connection with the contract aforesaid, following which it prepared a statement including the name of each worker employed, the total working hours, the rate per hour and total payments received.

The lower rates mentioned paid, as it appears from the information gathered by us, refer evidently to unskilled labour.

In this connection, I should mention that as a whole the remuneration of unskilled labour in the province of Quebec is inferior to that paid Ontario. In the present case the contract refers to the construction of the substructure of the bridge linking the two provinces, the labour engaged in this work having been distributed as evenly as possible between the two provinces.

Moreover, we believe that there existed no drawn line as to work to be done by each of these two groups of workmen, and the work was equally interchangeable.

Under these circumstances and others, it is believed that 40 cents per hour is considered a fair and reasonable rate for unskilled labour and is higher, we think, than that paid at present either at Hawkesbury or across the river. We shall therefore see that each worker receives, in due time, a cheque covering the increase of the additional amount of 5 cents per hour for the period of work done by each one, that is the difference between the old rate of 35 cents and the fixed rate of 40 cents per hour.

With reference to information required as to the responsibilities of sub-contractors and rates for overtime, when the regular day's work is over, I must inform you that the rates fixed by contract apply exclusively to the work on the substructure.

A clause in the contract with reference to work fixes a maximum of 8 hours per day, however, no penalties are provided as to overtime work. May I, in this connection, point out that never during the execution of the work was the department apprised that the 8 hour day was not observed, otherwise we would have immediately taken steps to have the provisions of the contract, as regards working hours, strictly carried out.

Yours truly,

H. H. Ward,
Deputy Minister of Labour.

The deputy minister in this letter has fixed the wages at 40 cents an hour whereas previously it was 45 cents; so that there is a difference of five cents. But as the hon. member for Gloucester stated a few minutes ago, when these tenders were put in the price was fixed in accordance with the wages which they were supposed to pay to the labourers. This schedule was attached to their contract. In the county of Prescott the contractors paid only 35 cents an hour, and of course the men complained. Now we find that the Department of Labour on February 13 fixed their wages at 40 cents. The reason the people are so greatly dissatisfied is that the contractors are able to make a profit of 5 cents an hour on all the hours of labour put in by the men. That 5 cents the labourers lose, and besides they are asked to sign receipts to say that they have no further claim.

These labourers have not been treated fairly and they are complaining. I tell the minister quite frankly that they are very uneasy about it. They claim that the government is helping the big interests as against the interest of the labourers. I did not wish to mention this, and if the minister had allowed the item to stand, on the understanding that further information would be provided, I would not have done so. I have not a copy of the receipt which they were asked to sign, but the receipts were made out in duplicate and were returned to the contractors at the time the cheques were issued. Some hon. member has asked whether I have a copy of the receipt which the men had to sign. I have not, but in the letter from the contractors to the labourers this statement appears:

Enclosed you will find duplicate receipt forms which we would ask you to sign and return to this office immediately.

Once again I urge upon the minister the importance of looking into this matter with a view to finding, if possible, some means of doing justice to the men employed on the construction of that bridge. I am speaking for the men from the province of Ontario; I am not speaking for the Quebec side. It is now practically eleven o'clock and I should be glad if the minister would undertake to furnish the information I have asked for.

Mr. STEWART (Leeds): I assure my hon. friend, as I have assured every hon. member, that I am prepared to give all the information available, and I cannot understand the suggestion that I am seeking to withhold anything. This is the first I have heard of this complaint and I have promised the hon. gentleman to take the matter up with the Department of Labour and try to get the facts and give them to him. I have no objection to the item standing, and have never endeavoured to press it through. I move that the committee rise and report progress.

Progress reported.

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

Monday, May 11, 1931

The house met at three o'clock.

BUSINESS OF THE HOUSE

PRECEDENCE FOR GOVERNMENT BUSINESS ON WEDNESDAYS—DATE OF BUDGET

Right Hon. R. B. BENNETT (Prime Minister) moved:

That on Wednesday, the 13th May next, and every Wednesday thereafter to the end of the session, government notices of motions and gov-

ernment orders shall have precedence over all business except questions by members and notices of motions for the production of papers.

He said: This motion would have been made before, but the interruption of the business of the house on Wednesday last made me think it undesirable at that time. The intention is to give this Wednesday clear for private business, and I trust this will be satisfactory.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I do not wish to oppose the motion, but if its purpose is to shorten the session by enabling the government to get on with the business of the session I should like to ask the Prime Minister whether or not the report in the press is correct to the effect that the budget will not be brought down until June. My right hon. friend a few days ago said he would probably be in a position early to advise the house when the budget would be brought down, and this might be an appropriate moment to express a view.

Mr. BENNETT: If this motion were disposed of as worded, it would take this Wednesday also from private members. That was not intended; it was intended that private members should have this coming Wednesday, so that the motion will have to be changed a little to read:

That after Wednesday, the 13th May next . . .

I should like to take the house into my confidence as to the cause of the delay in making an announcement. The illness of the Minister of National Revenue (Mr. Ryckman) has greatly retarded the work in which I am engaged, and by reason of the seriousness of his illness, I am unable to make a definite statement. We had certain very definite matters arranged for a certain definite date, and that day he was taken ill. He has not been able to come to Ottawa since, but in no event shall we postpone the budget until June, I can assure my right hon. friend, although I shall have to go on without the assistance of the hon. gentleman who has given a great deal of attention to the matter during the last two months, and who has taken extraordinary care with respect to a large number of items. Without his assistance I feel very much lost, but that is the position and I think it is right to say so to the house.

Motion as amended agreed to.

CANADIAN NATIONAL RAILWAYS

"A DECADE OF DEVELOPMENT"—ARTICLE BY MR. FAIRWEATHER

Hon. R. J. MANION (Minister of Railways and Canals): I wish to table a copy of an article intituled: A Decade of Development, which was given to the press some little time ago by S. W. Fairweather, Director of Bureau of Economics, Canadian National Railways, and which was requested by the hon. member for East Algoma (Mr. Nicholson) and I think some other hon. members.

IMMIGRATION ACT AMENDMENT

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved for leave to introduce Bill No. 44, to amend the Immigration Act.

Some hon. MEMBERS: Explain.

Mr. WOODSWORTH: As the Immigration Act now stands, it is possible for a variety of causes to deport people, no matter how long they have resided in Canada. Last year there were several cases that aroused a good deal of public interest, one case in which a woman was deported after some eighteen years' residence in Canada. Her connections in the old country had been broken up; she had during all those years established connections in this country and suddenly, because of some physical ailment of a rather serious character, she was deported. There have been a large number of cases of a similar character. Therefore I propose in this amendment that there should be no deportation after ten years' continuous residence. Just as in certain insurance policies there is a definite period after which the policy becomes non-contestable, after ten years' continuous residence in this country no one could be deported.

The second clause relates to those who have been resident for ten years in Canada and who may have been forced to go, we will say, to the United States for a short period to seek work. They very often find themselves unable to return to this country although they have lived here for a large number of years, and there have been certain cases where they have been threatened with deportation to the countries from which they originally came. The second clause would permit them, if everything else was all right, to enter Canada on account of their having resided in this country for ten years. I might put it a little more correctly in this way: after ten years' residence in Canada, they would not be precluded from reentering this country simply for the reason that they had gone elsewhere on this continent for a short period.

Motion agreed to and bill read the first time.

CANADA SHIPPING ACT AMENDMENT

Mr. ANGUS MacINNIS (Vancouver South) moved for leave to introduce Bill No. 45, to amend the Canada Shipping Act.

Some hon. MEMBERS: Explain.

Mr. MacINNIS: The present Canada Shipping Act is a rather old piece of legislation, and very much out of harmony with modern industrial conditions. The purpose of these amendments is to put the conditions under which seamen have to live and work more in line with modern industrial standards.

The first amendment provides for the physical examination of seamen. There is no provision for that in the present act. It has been brought to my attention that on occasions seamen suffering from contagious or infectious diseases have been taken aboard ship, or they have been taken ill after coming on board, thus creating a menace to the health of the other members of the crew.

The next amendment provides for more efficient inspection of water and provisions supplied for the crew than now prevails. At the present time the act provides only that the seamen may complain and if their complaint is not upheld by the person making the inspection, they are penalized for making the complaint. It also provides for a scale of provisions for the crew, somewhat more extensive than that for which the regulations now provides. There is also a provision for regulation of the hours of work and for compensation to seamen injured in the course of their employment. There is another provision that only ships registered in Canada shall engage in the coastal trade of Canada.

Right Hon. R. B. BENNETT (Prime Minister): I think it well to say to the hon. gentleman that certain of his observations as heard by me are in conflict with legislation over which at the moment we have very limited control. The statute of Westminster will clear up the situation. I mention this at the moment because I may not have caught the exact purport of his remarks but as the matter now stands, many of his suggestions could not be acted upon by this parliament.

Mr. A. W. NEILL (Comox-Alberni): Might I point out that the whole act is obsolete and has been for the last twenty-five years. It is not these amendments alone that are out of date, the whole act is in need of revision.

Hon. IAN MACKENZIE (Vancouver Centre): Is it not a fact that in view of the deliberations of the 1929 and 1930 Imperial conferences, the revision of the Canada Shipping Act will have to be considered?

Mr. BENNETT: The hon. gentleman is quite correct. If the proposals of Westminster are adopted by both houses of parliament and the statute of Westminster passed, this will entail the entire revision of the Canada Shipping Act as well as the revision of many other acts that are upon the statute books at the present moment.

Mr. LAPOINTE: It is better to wait another year.

Mr. BENNETT: Yes, that is the reason I made the suggestion.

Motion agreed to and bill read the first time.

Mr. SPEAKER: I would call the attention of the hon. member introducing the bill to the method in which the bill has been prepared and also to the rules relating to the preparation of bills. Perhaps he will give it his attention before the second reading.

REMONETIZATION OF SILVER

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): I should like to direct a question to the right hon. the Prime Minister. In view of the deliberations of the International Chamber of Commerce, which were concluded, I understand, yesterday, and in view of one of the recommendations of that congress for the holding of an international conference to study the question of the remonetization and standardization of silver, and in view of the further fact that the government of China has indicated its willingness to take the initiative in regard to the proposed conference and that the government of the United States has also indicated its willingness to facilitate such a conference, will the government of Canada be prepared to facilitate in every possible way the holding of such a conference?

Right Hon. R. B. BENNETT (Prime Minister): The facility with which the hon. gentleman asks questions is equalled only by his willingness to rely on everything he reads in the newspapers. The fact is that since this government came into power it has been steadily studying the silver question. There is in the city to-day perhaps the leading British authority on the subject. We have had more than one conference with him, and expect to have others. As to what may result in the way of an international monetary conference from the representations that have been made by various countries, including the United States of America, and notably the resolutions introduced by Senator Pittman it is too soon to indicate. But if the opportunity is afforded, this country will

endeavour to discharge to the best of its ability the obligations that rest upon it as a great silver-producing country.

INQUIRY FOR RETURN

On the orders of the day:

Mr. J. L. BROWN (Lisgar): On the 22nd of April an order of the house was passed with reference to the bringing down of correspondence relating to Riding Mountain park. As the correspondence cannot be very voluminous, I would ask that the return be expedited.

Hon. T. G. MURPHY (Minister of the Interior): I understand that the information which the hon. member has asked for has been transmitted to the Secretary of State.

VACANCIES IN REPRESENTATION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): There are two constituencies which have not been represented during this session in the House of Commons. One is the constituency of East Hamilton, where a vacancy occurred on October 13, 1930, through the death of the member, and the other is the constituency of Three Rivers-St. Maurice, where a vacancy occurred on January 4 of this year, through the death of the member. May I ask the government if it is the intention to bring on by-elections in those constituencies so that they may be represented in this parliament before this session is over?

Right Hon. R. B. BENNETT (Prime Minister): I am sure that the by-elections will be brought on in accordance with the provisions of the law in that regard, if due attention is paid to the practice heretofore followed by those who were then in power.

Mr. LAPOINTE: Imitation.

Mr. MACKENZIE KING: The practice heretofore followed has been to bring on the by-elections so that the constituencies could be represented. It was for that reason that I put the question to the Prime Minister in the form I did. I would ask him again if he expects to bring on the by-elections in time to enable these constituencies to be represented in this house at this session of parliament.

Mr. MACKENZIE (Vancouver Centre): A delicate question.

Mr. BENNETT: Not a delicate question, but a question that it is not quite possible to answer because it involves the determination of two questions of fact with respect to neither of which is the government in complete control of the factors which would enable those questions to be answered.

Mr. MACKENZIE KING: What are the factors?

Mr. BENNETT: One of them is the opposition.

Mr. MACKENZIE KING: The opposition is not a factor in these cases.

Mr. BENNETT: Oh, yes, as to when parliament prorogues. It is quite evident, Mr. Speaker, that the date of the prorogation of parliament will determine whether or not the constituencies are represented, having regard to the provisions of the statute; and as to when parliament will prorogue, no government can say.

Mr. MACKENZIE KING: I can promise my right hon. friend that if he has the writs issued immediately and brings down a satisfactory budget, we will try to accommodate him.

Mr. BENNETT: The questions have been answered. The two "ifs" which the hon. gentleman used entirely explain the situation.

AUSTRALIAN TREATY

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask the Minister of Trade and Commerce (Mr. Stevens) if it is true that a bill based upon the proposed new Australian treaty has already received its first reading in the Australian parliament?

Hon. H. H. STEVENS (Minister of Trade and Commerce): All matters pertaining to the Australian treaty must rest in abeyance until, by the consent of both governments the matter can be properly placed before both parliaments.

ESSEX TERMINAL RAILWAY COMPANY

The house in committee on Bill No. 23, respecting the Essex Terminal Railway Company—Mr. Robinson—Mr. LaVergne in the chair.

Section one agreed to.

On section 2—limitation of time for commencement and completion.

Mr. SPENCER: As this company already has had twelve extensions I would ask why construction has not already been started?

Mr. ROBINSON: My reply would be that construction will take place as soon as the Ojibway plant goes ahead. At the present time they have a wire loom and tin plate mill, I believe the tin plate mill is the first of its kind in Canada. When these two plants are running to capacity they employ about 500 men. For the past nine years there have been seven blast furnaces erected, and when conditions warrant work will be commenced. I may add that the construction of this road would prevent traffic through the Windsor and Sandwich section. If Ojibway does not go ahead there will be no cause to build the road.

Mr. SPENCER: The hon. member has not answered my question. I want to know why the railway was not previously built, considering the fact that the first extension was asked for in 1902, and since that date there have been eleven granted.

Mr. ROBINSON: My hon. friend will know that the steel industry in Canada has not been what we had hoped for, and owing to the war this construction has been delayed. As I say the road will not be constructed unless the program continues in Ojibway.

Mr. POULIOT: They had plenty of time to prepare for the manufacture—

Mr. ROBINSON: What is the use of building a road if there is nothing for it to do.

Mr. POULIOT: They had enough time for the manufacture of armour plate. Is this an independent company or is it a subsidiary of the Canadian National Railway or the Canadian Pacific Railway?

Mr. ROBINSON: It is neither. The Essex Terminal Railway is an independent road, but the Canadian Steel Corporation are stockholders in the company.

Mr. POULIOT: It is an independent company?

Mr. ROBINSON: Yes.

Bill reported, read the third time and passed.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*DUTY ON POTATOES

Mr. MacLEAN:

1. In view of the fact that Cuba has intimated her intention of increasing the duty against Canada on potatoes and other products, has the government taken any action to arrange some trade agreement to prevent this increase?

2. If so, have they been successful, and what is the nature of the agreement?

Mr. MACDONALD (Kings):

1. Yes, the government sent a representative to Havana for the purpose of conferring with the Cuban government regarding better trade arrangements between the two countries.

2. No agreement has yet been arrived at. Under present economic conditions there, especially in view of the depressed condition of the market for their principal product, sugar, lately selling at $1.30 per cwt. while the production cost is about $2, the policy of the Cuban government is to encourage more diversified agricultural production by means of tariff protection on potatoes and other items. They are, however, willing to further discuss these matters, and this government is now giving consideration to proposals in that regard.

CANADIAN NATIONAL RAILWAYS, GASPE DIVISION

Mr. MARCIL:

1. How much has been expended on the Gaspe railways in improvements since the lines were linked up with the Canadian National Railways?

2. What work is contemplated to be done in the present year, if any?

3. Are men from Bonaventure county employed in the work in that county, or is the work being done by outsiders?

Mr. MANION:

1. $410,910.

2. Certain timber bridge replacements, application of about 25,000 yards of gravel ballast and replacement of five miles of rail.

3. The men employed on these lines are recruited on the line itself and there are none taken from outside territory, with the exception of supervisory officers and skilled labour when such is required to perform any special work.

CANADIAN NATIONAL RAILWAYS, APPROPRIATIONS

Mr. NICHOLSON:

1. In the capital structure of the Canadian National Railways as set out in the balance sheet at page 15 of the annual report for 1930, there appears the sum of $403,443,939.56 "on account of appropriations for Canadian Government Railways."

Does this sum cover the construction and equipment cost of: (a) the Transcontinental railway constructed by the government of Canada, east from Winnipeg to Moncton; (b) the lines known as the Intercolonial Railway of Canada, including the Prince Edward Island Railway, together with all branch lines and terminals thereof; (c) what is the amount

applicable to each; (d) at what period was the capitalization on these lines fixed at the above figures?

2. Does the mileage statement by the Canadian National Railways as set out on pages 37, 38 and 39 of the annual report of the Canadian National Railways for 1930 include all lines covered by the capital assets of $2,111,519,813.46 as shown on page 14 of the report, and if not, what lines and mileages are excluded, and why?

Mr. MANION:

1. (a) Yes; (b) yes; (c) statement attached; (d) original cost plus betterments as of December 31, 1930.

2. The mileage statement of Canadian National Railways, as set out on pages 37, 38 and 39 of the annual report for 1930, plus the mileage statement for eastern lines, shown on page 54 of the report, includes all lines covered by the capital assets of $2,111,519,813.46, as shown on page 14 of the report.

Department of Railways and Canals

Canadian Government Railways

Capital Account to December 31, 1930

Intercolonial railway	$140,441,817 08
Prince Edward Island Railway	15,098,150 40
New Brunswick and Prince Edward Island railway	1,342,481 02
International railway	3,251,463 17
National Transcontinental railway	173,260,095 58
Moncton and Buctouche railway	549,387 98
Salisbury and Albert railway	678,872 08
St. Martins railway	383,837 84
Elgin and Havelock railway	203,553 54
York and Carleton railway	64,712 81
Quebec and Saguenay railway	7,904,280 19
Caraquet and Gulf Shore railway	1,172,538 55
Lotbiniere and Megantic railway	186,336 16
Cape Breton railway	138,722 49
Vale railway	49,885 69
Quebec bridge	21,706,664 49
Van Buren bridge	28,223 27
Long Lac cut-off	2,847,547 01
Lake Superior branch	1,250,310 22
Lawlor Building, Toronto	1,243,834 59
Canadian Government railways	32,362,008 64
Capital Suspense—branch line aid (Cr.)	450,573 02
Minaki Inn	1,091,354 40
Malagash spur	29,290 75
Hailfax ocean terminal	2,358,418 30
Charlottetown Hotel	689,460 14
Acadia Coal Company	2,700 33
New Prince Edward Island car ferry	1,071,317 74
Capital Account to December 31, 1930—Con.	
Abandoned right-of-way	21,721 11
Murray River property	7,540 04
	$408,985,952 59
Stores and Open accounts	16,882,081 62
Investment in C. N. telegraphs	1,455,328 09
Total investment	$427,323,362 30
Liability Account	
Liability to Dominion	$403,443,934 56
Liability to C.N.R. Co.	950,279 40
Liability for Unmatured purchase price of Moncton and Buctouche railway	70,000 00
Liability for Uncashed cheques	3,714 31
Betterments paid from C.G.R. surplus	22,855,434 03
Total liability	$427,323,362 30

INTERIOR DEPARTMENT, RETIREMENTS

Mr. CHEVRIER:

1. How many employees of the Department of the Interior, after having received notice of their retirement, were taken into the Civil Service of Canada either: (a) at their former positions; (b) in any other branch of that department; (c) in any other department?

2. If so, in what branch, or branches, of the department of the Interior did that take place, and into what branch, or branches, of that department, or other departments, were said employees taken into?

3. What was the salary of each of such employees for the last year?

4. What will the salary of each of such employees be for the current year?

Mr. MURPHY:

Number 1: (a) 14; (b) 2; (c) 10. These 10 employees are on temporary re-assignment, pending permanent appointment when vacancies cleared. Other re-assignments under negotiation, but not yet confirmed.

Number 2: (a) Dominion lands administration; Surveys bureau; National development bureau; Forest service; (b) Surveys bureau; (c) Department of National Revenue, Department of National Defence, Department of Agriculture, Post Office Department, Department of Justice.

Number 3: (a) $1,500; $960; $1,800; $1,620; $1,680; $3,285; $2,100; $2,040; $1,920; $3,650; $1,380; $1,260; $1,140; $2,700; (b) $1,500; $1,380; (c) $1,800; $1,080; $1,140; $1,140; $1,500; $1,140; $1,380; $1,620; $1,020; $1,200.

Number 4: At this date it is impossible to say definitely.

UNEMPLOYMENT RELIEF, BRITISH COLUMBIA

Mr. REID:

Were any restrictions, regulations or instructions of any kind given or laid down by the Minister of Labour or by anyone acting under his authority, to the Minister of Public Works in the province of British Columbia or any official of the provincial legislature of British Columbia, prohibiting the expenditure or in any way restricting the expenditure of money under the Unemployment Relief Act for the purchase of tools, machinery or material of any kind, including cement, glass, hardware, lumber, cement or galvanized pipe or steel rails?

Mr. MANION:

No.

WHOLESALE PRICES OF COMMODITIES

Mr. ROBERGE:

What was the wholesale price per pound of the following commodities at Montreal, on May 1, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931: factory butter, dairy butter, new laid eggs (per dozen), fat steers, fat cows, fat heifers, canners, veal calves, drinkers, hogs, sows, lambs, sheep?

Mr. STEVENS:

See attached statements.

22110—92½

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

TABLE 1

WHOLESALE PRICES OF CERTAIN COMMODITIES AT MONTREAL, MAY, 1921-1930, AND WEEK ENDING APRIL 30, 1931. ALSO SUPPLEMENTARY TORONTO QUOTATIONS

	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	Last week of April 1931
	$	$	$	$	$	$	$	$	$	$	$
Creamery butter No. 1 prints, per lb...	·315	·331	·314	·32–·33	·35	·35	·38	·36	·386	·331	·251
(a) Eggs, fresh extras, per doz.....	·29–·30	·34–·36	·34–·36	·32–·35	·34–·35	·365	·369	·376	·353	·358	·25–·28
Steers, good over 1050, per cwt.....	.....	.....	.....	.....	8·02	7·40	8·68	10·48	11·19	11·26	6·30
Cattle, good steers, per cwt., Toronto..	9·25–10·00	8·00	7·25	7·54	7·625	7·47	8·88	10·44	11·21	10·70	6·22
Cow, good, per cwt.....	.....	.....	.....	.....	6·12	5·71	6·98	8·19	8·69	8·16	4·40
Heifers, good, per cwt.....	.....	.....	.....	.....	7·13	7·11	8·51	9·54	9·97	10·17	5·20
Canners and Cutters, per cwt.....	.....	.....	.....	.....	2·83	3·08	3·65	4·01	4·53	4·03	1·65
Calves, good veal, per cwt.....	.....	.....	.....	.....	6·39	8·00	8·63	9·77	10·76	8·42	5·60
Hogs, bacon, per cwt.....	.....	.....	.....	.....	13·00	14·96	10·62	11·06	14·01	12·47	8·30
Hogs, bacon, per cwt., Toronto.....	9·44– 9·62	13·77	11·10	8·15	12·58	14·22	10·09	10·58	13·38	12·13	8·29
Sows, No. 1 per cwt.....	.....	.....	.....	.....	10·23	11·15	7·52	8·35	11·32	10·39	5·65
Lambs, good handyweight, per cwt....	.....	.....	.....	.....	8·00	.....	.....	.....	10·65	(B) 11·25	(B) 7·83
Sheep, good handyweight, per cwt.....	.....	.....	.....	.....	6·47	7·75	7·29	7·59	7·38	6·45	5·45
Sheep, choice, per cwt., Toronto.....	8·25– 9·12	8·06	8·75	8·92	8·90	8·812	*7·18	*8·00	*8·22	*7·06	*5·33

(A) Eggs, new, 1921-1925. (B) Nominal. *Sheep, good handyweight.

NOTE.—Livestock grades have changed during this period making it very difficult to obtain comparable prices.

TABLE 2

PRICE RANGE FOR BULK OF SALES AT MONTREAL DURING WEEK OF MAY 1ST OF EACH YEAR SINCE 1921

—	Good Heifers	Good Butcher Cows	Canners and Cutters	Veal Calves*	Sows	Good Sheep
1921	$8 50– 9 00	$7 00– 7 75	$3 00– 4 50	$6 50– –	$9 50– 9 75	$8 00– 8 50
1922	4 00– 5 25	3 00– 5 75	1 00– 2 00	3 00– 7 00	8 25– 8 50	8 00– 9 00
1923	7 50– –	5 50– 5 75	2 00– 2 75	4 50– 5 00	8 50– 9 00	6 00– 7 00
†1924	5 50– 6 50	5 50– 6 00	1 50– 2 75	4 00– 5 00	5 50– –	7 50– 8 00
1925	7 00– 7 85	6 00– 6 50	2 50– 3 25	5 00– 6 00	10 00–10 50	5 50– 6 75
1926	6 75– 7 00	5 50– –	2 50– 3 25	5 50– 6 75	11 50– –	8 00– –
1927	8 50– 9 00	6 00– 7 00	2 50– 4 50	6 50– 7 75	7 90– 7 75	7 50– –
1928	9 25– 9 75	8 00– 8 50	3 25– 4 75	7 75– 9 50	7 50– 8 00	8 00– 9 00
1929	9 50– 9 75	8 50– 9 00	4 00– 5 00	7 50–10 50	10 75–11 50	7 00– 8 00
1930	10 00–10 50	8 25– –	3 75– 4 50	5 50– 7 00	9 50–11 00	7 00– –
1931	5 00– 5 25	4 25– 4 50	1 25– 1 75	3 75– 6 00	5 00– 5 50	5 25– 5 50

*Lower grade than given in preceding table.
†"Fair" quality heifers used for 1924. No "good" quality on offer.

CAP-A-LA-BRANCHE, CHARLEVOIX, POSTMASTER

Mr. CASGRAIN:

1. Who was appointed postmaster at Cap-a-la-Branche, in the county of Charlevoix, following the retirement or dismissal of Mr. Pierre Lapointe, former postmaster?

2. Does the new appointee know how to read and write?

3. By whom was this person recommended?

4. Did the said appointee pass the examinations of the Civil Service Commission?

Mr. SAUVE:

1. François Harvey (fils de Germain).

2. No information to the contrary.

3. Thomas Maher, Quebec.

4. This position is exempt from the operation of the Civil Service Act.

LES EBOULEMENTS, CHARLEVOIX, POSTMASTER

Mr. CASGRAIN:

1. Who was appointed postmaster at Les Eboulements, in the county of Charlevoix, following the retirement or dismissal of Mr. J. H. Tremblay, former postmaster?

2. Does the person appointed know how to read and write?

3. By whom was the said person recommended?

4. Did said appointee pass the examinations of the Civil Service Commission?

Mr. SAUVE:

1. Majella Tremblay was placed in temporary charge.

2. No information to the contrary.

3. Thomas Maher, Quebec.

4. Matter of permanent appointment not yet submitted to Civil Service Commission.

[Mr. Stevens.]

MILLE VACHES, SAGUENAY, POSTMASTER

Mr. CASGRAIN:

1. Who was appointed postmaster at Mille Vaches, in the county of Saguenay, following the retirement or dismissal of Mr. E. Bouliane, former postmaster?

2. Does the person appointed know how to read and write?

3. By whom was the said person recommended?

4. Did said appointee pass the examinations of the Civil Service Commission?

Mr. SAUVE:

1. Joseph Tremblay (Thaddée).

2. No information to the contrary.

3. Thomas Maher, Quebec.

4. This position is exempt from the operation of the Civil Service Act.

ST. IRENEE-LES-BAINS, CHARLEVOIX, POSTMASTER

Mr. CASGRAIN:

1. Who was appointed postmaster at St. Irenee-les-Bains, in the county of Charlevoix, following the retirement or dismissal of Mr. Joseph Girard, former postmaster?

2. Does the person appointed know how to read and write?

3. By whom was the said person recommended?

4. Did said appointee pass the examinations of the Civil Service Commission?

Mr. SAUVE:

1. Pitre Gauthier.

2. No information to the contrary.

3. Thomas Maher, Quebec.

4. This position is exempt from the operation of the Civil Service Act.

ST. FEREOL, MONTMORENCY, POSTMASTER

Mr. CASGRAIN:

1. Who was appointed postmaster at St. Fereol, in the county of Montmorency, following the retirement or dismissal of Mr. Cyrias Mercier, former postmaster?

2. Does the person appointed know how to read and write?

3. By whom was the said person recommended?

4. Did said person pass the examinations of the Civil Service Commission?

Mr. SAUVE:

1. Joseph Morency.

2. No information to the contrary.

3. Thomas Maher, Quebec.

4. This position is exempt from the operation of the Civil Service Act.

ST. HUBERT, ANCHORAGE MAST

Mr. DORION:

What is the cost to March 31, 1931, of the anchorage mast at St. Hubert, including land, buildings, equipment and all improvements?

Mr. MURPHY:

St. Hubert aerodrome and airship base—cost to March 31, 1931, $1,846,569.16 exclusive of operating charges.

CANADIAN NATIONAL RAILWAYS, BUREAU OF ECONOMICS

Mr. NICHOLSON:

In the Toronto Globe of May 2nd last, there appears a lengthy summary of a statement given to the press by Mr. S. W. Fairweather, Director of the Canadian National Railways Bureau of Economics, which statement purports to give in detail the capital expenditures on all Canadian lines from the date when they were taken over by the government to the end of 1930.

1. (a) Has a copy of the above statement been furnished to the minister or the Department of Railways and Canals; (b) was Mr. Fairweather's statement made public by authority of the executive officers or board of directors of the national railways?

2. (a) If not, on whose authority was it published; (b) will a copy be laid on the table of the house for the information of the members?

Mr. MANION:

1. (a) Yes; (b) Published by the Canadian National publicity department with approval of the management.

2. (a) Answered by No. 1 (b); (b) Copies in French and English are being laid on the table to-day.

DOCTOR J. B. CHAMPION

Mr. MYERS:

What money or moneys have been paid to Dr. J. B. Champion of O'Leary, Prince Edward Island, for services rendered as medical doctor to returned soldiers, in each of the past four years?

Mr. MacLAREN:

1927-28, None; 1928-29, None; 1929-30, $126.65; 1930-31, $516.40.

HOME BANK SHAREHOLDERS

Mr. SPENCER:

1. Of the 1,686 shareholders of the Home Bank at the time of liquidation, how many of them met their double liability in full?

2. What was the aggregate amount paid by the shareholders under their double liability as called for under the Bank Act?

3. When will the liquidators be able to close the affairs of the Home Bank?

Mr. GUTHRIE:

1. No information.

2. According to the latest report from the liquidators, dated April 21, 1931, the aggregate amount paid by shareholders in respect of double liability was $1,108,324.39, with interest of $56,190.08, or a total of $1,164,514.45.

3. No definite information. The liquidators are officers of the Supreme Court of Ontario, and the winding-up is subject to the supervision of that court.

INVERNESS—WOODSIDE, QUEBEC, MAIL CONTRACT

Mr. ROBERGE:

1. Was the contract of Joseph Tardif, for carrying the mail between Inverness and Woodside, Quebec, renewed in 1931?

2. If so, on what date?

3. Was the said contract subsequently cancelled?

4. If so, on what date, at whose request, by whom, and why?

Mr. SAUVE:

1, 2, 3 and 4.—Instructions were issued on the 23rd April, 1931, to renew the contract with Mr. Joseph Tardif and withdrawn on the 29th April, 1931, at the request of Mr. Joseph T. Beaudoin. Public tenders were then invited.

LAURIERVILLE, QUEBEC, MAIL CONTRACT

Mr. ROBERGE:

1. Was the contract of Mr. Alphonse Gingras, for carrying the mail on route No. 2, Lauriervile, Quebec, renewed?

2. If so, on what date?

3. Was the said contract subsequently cancelled?

4. If so, on what date, at whose request, by whom, and why?

Mr. SAUVE:

1, 2, 3 and 4.—Instructions were issued on the 23rd April, 1931, to renew the contract with Mr. Alphonse Gingras and withdrawn on the 29th April, 1931, at the request of Mr. Joseph T. Beaudoin. Public tenders were then invited.

MILK EXPORTATIONS

Mr. ROBERGE:

1. How much milk was exported, per month, from Canada to United States during the fiscal years 1929 and 1930?
2. How much milk was exported, per month, from Canada to United States during the fiscal years 1930 and 1931?
3. How much cream was exported, per month, from Canada to United States during the fiscal years 1929 and 1930?
4. How much cream was exported, per month, from Canada to United States during the fiscal years 1930 and 1931?

Mr. STEVENS:

1. Exports of milk, fresh, from Canada to United States, by months, fiscal years ended March 31, 1929 and 1930, were:

Months	1928-1929	1929-1930
	Gal.	Gal.
April	166,559	144,133
May	232,333	262,364
June	268,363	246,804
July	423,258	415,562
August	511,894	426,479
September	436,555	401,779
October	448,965	280,968
November	360,065	220,115
December	295,981	183,717
January	252,846	132,041
February	148,432	121,801
March	208,620	163,991
Total	3,753,871	3,099,754

2. Exports of milk, fresh, from Canada to United States, by months, fiscal years ended March 31, 1930 and 1931 were:

Months	1929-1930	1930-1931
	Gal.	Gal.
April	144,133	64,550
May	262,364	99,105
June	346,804	146,724
July	415,562	198,204
August	426,479	190,899
September	401,779	134,408
October	280,968	89,016
November	220,115	64,838
December	183,717	70,041
January	132,041	55,144
February	121,801	38,512
March	163,991	57,037
Total	3,099,754	1,208,478

[Mr. Roberge.]

3. Exports of cream, fresh, from Canada to United States, by months, fiscal years ended March 31, 1929 and 1930, were:

Months	1928-1929	1929-1930
	Gal.	Gal.
April	170,896	128,860
May	325,797	218,153
June	392,324	334,254
July	397,538	395,387
August	361,867	329,767
September	342,406	245,974
October	273,855	228,543
November	199,951	166,535
December	103,093	72,368
January	92,868	48,591
February	60,093	43,216
March	112,952	81,622
Total	2,833,640	2,293,270

4. Exports of cream, fresh, from Canada to United States, by months, fiscal years ended March 31, 1930 and 1931, were:

Months	1929-1930	1930-1931
	Gal.	Gal.
April	128,860	59,430
May	218,153	163,095
June	334,254	181,854
July	395,387	136,315
August	329,767	132,775
September	245,974	150,711
October	228,543	128,646
November	166,535	88,553
December	72,368	54,853
January	48,591	16,086
February	43,216	4,962
March	81,622	4,694
Total	2,293,270	1,121,974

SASKATCHEWAN—ABROGATION OF LAWS CONCERNING TEACHING OF FRENCH LANGUAGE

Mr. BOULANGER:

L'honorable Solliciteur général parlait-il au nom du gouvernement dont il fait partie quand il a exprimé dernièrement, dans la Chambre des Communes, le désir que soient abrogées des lois récentes adoptées par la législature de la Saskatchewan pour prohiber l'enseignement du français dans les écoles primaires de cette province?

M. DUPRE: Le discours parle par lui-même.

QUEBEC CITY POST OFFICE

Mr. BOULANGER:

1. Was an eligible list set up by the Civil Service Commission on October 27, 1930, allowing the Postmaster General to appoint some one for the preliminary sorting of letters at the Quebec City post office?

2. If not, did the Postmaster General inform the Civil Service Commission of the non-existence of such list, and was the Civil Service Commission requested to take necessary measures so that said position might be filled according to law?

3. Was said position advertised as vacant by the Civil Service Commission, and did the commission send out the usual notices in connection with applications and the passing of examinations, so that an eligible list might be prepared?

4. If not, when will the Civil Service Commission take action in the matter?

Mr. SAUVE:

1. Yes.

2, 3 and 4. See answer to No. 1.

GASCONS WEST, BONAVENTURE, POSTMASTER

Mr. MARCIL:

1. Who has been named postmaster of Gascons West, county of Bonaventure, Quebec, to replace Mr. David Morin, dismissed?

2. On whose recommendation was the appointment made, did the department receive a report from the post office inspector that the new appointee was competent for the position and was centrally located for the majority of the patrons of the office?

Mr. SAUVE:

1. David Morin has not been dismissed.

2. See No. 1.

SUNDAY CLOSING OF POST OFFICE LOBBIES

Mr. LUCHKOVICH:

1. Is there a ruling of the Post Office Department ordering post office lobbies kept closed on Sundays?

2. If so, is it a general ruling to apply to the whole of Canada?

3. If it is a specific ruling to apply to the post office at the village of Ranfurly, Alberta, what was the reason for said ruling?

Mr. SAUVE:

1 and 2. The general policy is to close post offices on Sunday. Exceptions are made in some instance, chiefly in the province of Quebec, where some offices are kept open to permit patrons to obtain their mail after driving to the village to church.

3. It is not a specific ruling applying to Ranfurly, Alberta.

INTERIOR DEPARTMENT RETIREMENTS

Mr. CHEVRIER:

1. Did the minister, the deputy minister, the assistant deputy minister, the clerk in charge of the personnel of the Department of the Interior, or any of them, and if so, which one or ones, with any other official or officials of the said department (and if so, who), in any way (and if so, in what way), participate in the selecting, choosing, naming, recommending or otherwise, of the employees of the said department who have received notice of their retirement?

2. With whose opinions, expressions, recommendations or otherwise, did the Civil Service Commission concur, in reference to the retirements mentioned in answer No. 5 to question No. 19, answered by the hon. the Minister of the Interior on the 6th May, 1931?

Mr. MURPHY:

1. Departmental recommendations were made on the basis of the minister's definition of policy already given to the House of Commons on the 20th ultimo, see page 718 of Hansard.

2. With the recommendations of the department.

INTERIOR DEPARTMENT EMPLOYEES

Mr. BOULANGER:

1. Are the following persons still in the employ of the Interior department: William Calder, Joseph D. Hale, William E. D. Halliday, Dr. Francis C. P. Henroteau, Richard Holding, T. G. Madgwick, Russel D. Martin, William G. Pearce, Stanley W. Probert, Roderick O. Redman, James Sim, Louis P. Collin, Richard J. C. Fabry, Wilfrid J. Flood, F. J. Fraser, John F. McMahon, John G. Philipps, Albert Victor Waite?

2. If so, what is their occupation and salary?

3. How long had these persons been living in Canada when they entered the service of the government?

Mr. MURPHY:

1. The seven last mentioned have not been employed in the department; Messrs. William Calder and Roderick O. Redman are no longer with the department; the others are employed in the department.

2. Joseph D. Hale, Forest Products Engineer, grade 3, $3,240; William E. D. Halliday, Forestry Engineer, grade 2, $2,220; Dr. Francis C. P. Henroteau, Astronomer, grade 5, $3,840; Richard Holding, Senior Map Draftsman, $2,160; T. G. Madgwick, Petroleum Engineer, grade 3, $4,800; Russel D. Martin, Medical officer, grade 1, $2,520; W. G. Pearce, Telephone operator (Banff), $1,200; Stanley W. Probert, Process worker, $2,820; James Sim, Photographer, $2,580.

3. No information.

ROSS RIFLE FACTORY BUILDINGS

Mr. POWER:

1. With reference to an amount of $6,250.75, which appears to have been paid for moving stores from main building and fitting up Main store and citadel casemates to accommodate ordnance stores (see page 1419 unrevised Hansard, May 6, 1931), was this work done by day labour or was it given by contract?

2. If so, to whom was the contract awarded, and on what terms?

3. Were there any other tenderers?

Mr. SUTHERLAND:

1. By day labour.

2 and 3. Answered by No. 1.

Mr. POWER:

1. With reference to an amount of $4,159.77, which appears to have been paid for alterations and fitting portions of immigration building as ordnance stores (see page 1419 unrevised Hansard, May 6, 1931), was this work done by day labour or was it given by contract?
2. If so, to whom was the contract awarded, and on what terms?
3. Were there any other tenderers?

Mr. SUTHERLAND:

1 and 2. Most of this work was done by day labour. Contracts were given as follow: Purchase and installation of second hand elevator, T. Babin, Quebec, $1,000; Installation of motor for elevator (motor was available in Ross Rifle factory), J. E. Guillimette, Ltée., Quebec, $337.
3. No.

RADIUM DEPOSITS

Mr. HEENAN:

1. In view of the number of reported discoveries of radium in Canada, has the government the facilities for demonstrating the value and the cost of the recovery of this element?
2. Has the government taken the necessary steps to ensure the control within Canada of radium deposits, so as to ensure supplies of same for hospitals at reasonable prices?

Mr. GORDON:

1. The Department of Mines has complete facilities for determining the radium content of any ore samples that may be submitted for examination, and for making concentration tests on radium ores, and has already examined samples from Ontario and from the Northwest territories. The department can also undertake the investigation and demonstration on a laboratory scale of processes that could be applied to the recovery of radium from any ore. Exact costs of recovery can be made only in a commercial plant, but estimates of the probable costs of recovery can be made on the basis of laboratory work.

2. Until such time as there is tonnage of commercial interest proven it is not considered necessary to take such steps as suggested.

R. D. CUMMING

Mr. BLAIR:

1. Is R. D. Cumming employed by the Dominion government?
2. If so, in what department, in what capacity, and at what salary?
3. Was he appointed by the Civil Service Commission, and were examinations held after public advertisement, and an eligible list established in connection with the position which he now occupies?
4. Was the said R. D. Cumming president of the Temiskaming South Conservative Association?

[Mr. Sutherland.]

Mr. MacLAREN:

1. Yes.
2. Department of Pensions and National Health. Pensions advocate. $1,800 per annum,
3. No. The appointment was made in accordance with the provisions of section 10K of the Pension Act.
4. No information.

DRYDEN, ONT., MAIL CONTRACT

Mr. HEENAN:

1. When did the contract for carrying mail between the railway station and the post office at Dryden terminate?
2. What was the contract price for this service?
3. What is the name and age of the person at present holding the contract?
4. Is he a returned soldier?
5. Were tenders invited for this contract?
6. Was contract given to lowest tenderer?
7. What are the names of the tenderers and the price submitted by each?

Mr. SAUVE:

1. Service performed under temporary agreement terminable at Postmaster General's pleasure.

2. Seventy-five cents per trip under temporary agreement.

3. Service is performed under temporary agreement by M. R. Morris: No information re age.

4. No information.

5. Yes.

6. Yes: Lowest tenderer a minor, contract being completed with mother.

7. William C. Gammon, Dryden, P.O., $480 per annum; John L. Skillen, Dryden, P.O., $650 per annum; C. W. Harris, Dryden, P.O., $700 per annum; Thos. J. Lewis, Dryden, P.O., $720 per annum; John K. Livingston, Dryden, P.O., $720 per annum; Richard Coward, Dryden, P.O., $840 per annum; Robert J. Hadley, Dryden, P.O., $936 per annum; Michael R. Morris, Dryden, P.O., $936 per annum; Geo. Kelly, Dryden, P.O., $938 per annum; Frederick Clinker, Dryden, P.O., $939 per annum; John Brown, Dryden, P.O., $939 per annum, (75 cents per mail).

QUESTIONS PASSED AS ORDERS FOR RETURNS

INSURANCE DEPARTMENT—EMPLOYEES

Mr. LAFLECHE:

1. How many permanent and temporary employees are there in the insurance department?
2. What are their names and what salary does each draw?

ADVANCES TO CHARTERED BANKS

Mr. SPENCER:

1. What is the total amount of money that has been advanced each year by the federal government to the chartered banks in Canada under the Finance Act, since August 22, 1914?
2. What has been the rate of interest paid?
3. What has been the total of interest paid per annum for these advances?
4. In what way are the banks assessed for taxation by the Dominion government?

UNEMPLOYMENT RELIEF ACT—BONAVENTURE

Mr. MARCIL:

1. What are the names of the various municipalities and towns in the county of Bonaventure, which have applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality or town?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What amounts have been expended and paid by the federal government to each municipality in each case?
7. Were any amounts granted to these municipalities out of the special fund, and for charitable purposes, by virtue of the Unemployment Relief Act?

FISH TAX

Mr. MacLEAN:

1. What amount was collected by the government, through the Department of Fisheries, from the tax on fish landed from beam or other trawlers built and owned in Canada?
2. What amount was collected from the same source from trawlers built outside of Canada?
3. Is there any amount still outstanding and owing by the owners of those trawlers, if so, how much?
4. In view of the decision of the courts, will the government continue to collect this tax?

RATES OF WAGES TO LABOURERS

Mr. HEENAN:

What were the rates of wages paid to labourers: (a) on the federal public building at Fort Frances, Ontario, in 1929; (b) on the federal Indian school public building at Kenora, Ontario, in 1928-29; (c) on the federal public building at Keewatin, Ontario, in 1930-31; (d) on the federal public building at Sturgeon Falls, Ontario, in 1930-31; (e) on the federal public building at Timmins, Ontario, in 1930; (f) on the work of the extension to the post office at Port Arthur, Ontario, 1929; (g) on the federal public wharf at Kenora, Ontario, in 1930?

UNEMPLOYMENT RELIEF, COUNTY OF MONTMORENCY

Mr. CASGRAIN:

1. What are the names of the various municipalities in the county of Montmorency which have applied for grants under the Unemployment Relief Act?
2. What was the grant received by each one?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What sums have been expended and paid in each municipality by the federal government to date?
7. Were sums granted to these various municipalities out of the special fund, and for charitable purposes, by virtue of the above stated act?

UNEMPLOYMENT RELIEF, DRUMMOND-ARTHABASKA

Mr. GIROUARD:

1. What are the names of the various municipalities and towns in the counties of Drummond-Arthabaska, which applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality or town?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What amounts have been expended and paid by the federal government to each municipality in each case?
7. Were any amounts granted to these various municipalities out of the special fund and for charitable purposes by virtue of the Unemployment Relief Act?

UNEMPLOYMENT RELIEF, COMPTON, QUEBEC

Mr. HOWARD:

1. What are the names of the various municipalities and towns in the county of Compton, Quebec, which applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality or town?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What amounts have been expended and paid by the federal government to each municipality in each case?
7. Were any amounts granted to these various municipalities out of the special fund and for charitable purposes by virtue of the Unemployment Relief Act.

UNEMPLOYMENT RELIEF, STANSTEAD, QUEBEC

Mr. HOWARD:

1. What are the names of the various municipalities and towns in the county of Stanstead, Quebec, which applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality or town?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?

6. What amounts have been expended and paid by the federal government to each municipality in each case?
7. Were any amounts granted to these various municipalities out of the special fund and for charitable purposes by virtue of the Unemployment Relief Act?

UNEMPLOYMENT RELIEF, SHERBROOKE, QUEBEC

Mr. HOWARD:

1. What are the names of the various municipalities and towns in the county of Sherbrooke, Quebec, which applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality or town?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What amounts have been expended and paid by the federal government to each municipality or town in each case?
7. Were any amounts granted to these various municipalities and towns out of the special fund and for charitable purposes by virtue of the Unemployment Relief Act?

UNEMPLOYMENT RELIEF, SHEFFORD, QUEBEC

Mr. HOWARD:

1. What are the names of the various municipalities and towns in the county of Shefford, Quebec, which applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality or town?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What amounts have been expended and paid by the federal government to each municipality in each case?
7. Were any amounts granted to these various municipalities out of the special fund and for charitable purposes by virtue of the Unemployment Relief Act?

UNEMPLOYMENT RELIEF, MEGANTIC, QUEBEC

Mr. ROBERGE:

1. What are the names of the various municipalities and towns in the county of Megantic, Quebec, which applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality or town in each case?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What amounts have been expended and paid by the federal government to each municipality in each case?
7. Were any amounts granted to these various municipalities out of the special fund and for charitable purposes by virtue of the Unemployment Relief Act?

[Mr. Howard.]

UNEMPLOYMENT RELIEF, BROME-MISSISQUOI

Mr. HOWARD:

1. What are the names of the various municipalities and towns in the counties of Brome-Missisquoi, which applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality or town?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What amounts have been expended and paid by the federal government to each municipality in each case?
7. Were any amounts granted to these various municipalities out of the special fund and for charitable purposes by virtue of the Unemployment Relief Act?

UNEMPLOYMENT RELIEF, RICHMOND-WOLFE

Mr. HOWARD:

1. What are the names of the various municipalities and towns in the counties of Richmond-Wolfe, which applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality in each case?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What amounts have been expended and paid by the federal government to each municipality in each case?
7. Were any amounts granted to these various municipalities out of the special fund and for charitable purposes by virtue of the Unemployment Relief Act?

CANADIAN NATIONAL RAILWAYS, DINING CAR EMPLOYEES

Mr. LAFLECHE:

What are the names of all dining and sleeping car employees of the Canadian National Railways travelling between Montreal and Halifax, and in the maritime provinces?

UNOPPOSED MOTIONS FOR PAPERS

FEDERAL AND SASKATCHEWAN GOVERNMENTS—CORRESPONDENCE

Mr. MOTHERWELL:

For a copy of all petitions, resolutions, letters, telegrams and other communications and documents, received by the Prime Minister, Secretary of State and any other member of the government, from the Saskatchewan government or any member thereof, since January 1, 1931.

POST OFFICE EXPENDITURES, 1930

Mr. HANBURY:

For a return showing the total amounts appropriated during the first session of 1930,

either in the main estimates or in any supplementary, to the Department of Post Office, and also a return showing the total amount of such moneys as were expended by provinces.

AGRICULTURE DEPARTMENT EXPENDITURES, 1930

Mr. TOTZKE:

For a return showing the total amounts appropriated during the first session of 1930, either in the main estimates or in any supplementary, to the Department of Agriculture, and, also, a return showing the total amount of such moneys as were expended by provinces.

MR. L. A. TOURIGNY

Mr. GIROUARD:

For a copy of all documents, letters, complaints made to the Minister of Public Works or any member of his department since the first of August, 1930, regarding L. A. Tourigny, until recently caretaker of the public building at Victoriaville, Quebec, and specially complaints made by J. A. Beauchesne, A. Kirouac or any other person from the county of Arthabaska or elsewhere, as well as letters, correspondence received by the Minister of Public Works or any of his officials, including P. S. Gregory and J. A. Gingras, recommending the maintenance in office of the said Tourigny, and also any reports, letters or documents addressed by the said J. A. Gingras, Inspector of the Department of Public Works, regarding the said L. A. Tourigny.

MR. RODOLPHE DUPUIS

Mr. FAFARD (for Mr. Desrochers):

For a copy of all documents, correspondence, memoranda, reports and recommendations for appointment and protests against such appointment, relating to the appointment of Rodolphe Dupuis to the position of pensions advocate at Ottawa.

DISMISSAL OF FRANCOIS PELLETIER

Mr. LARUE:

For a copy of all correspondence and other documents relating to the dismissal of Francois Pelletier, ex-member of parliament for Matane county, in 1928, as special officer of the preventive service for the county of Matane.

MATANE POSTMASTERSHIP

Mr. LARUE:

For a copy of all correspondence and other documents exchanged between the Post Office Department and the citizens of Matane, Quebec, relating to the appointment of the present postmaster of Matane.

DISMISSAL OF J. E. LANDRY

Mr. LARUE:

For a copy of all correspondence and other documents exchanged between the Department of National Revenue and the citizens of Matane, Quebec, in connection with the dismissal of J. E. Landry, former customs officer at the port of Matane.

RIVIERE RENOUF BRIDGE AND DAM

Mr. POULIOT:

For a copy of all contracts, acts, plans, reports and correspondence between the Department of Railways and Canals, the authorities of the Intercolonial railway, the Canadian National Railways and any person, relating to the purchase of part of lots 247, 248 and 250, in the neighbourhood of Riviere Renouf, in the parish of Trois Pistoles, in connection with the construction and maintenance of a bridge and dam on the said river.

TROIS PISTOLES FREIGHT AGENTS

Mr. POULIOT:

For a copy of all correspondence, telegrams, requests, regarding the freight agents of Trois Pistoles, Quebec, since January 1, 1931.

LAC ST. JEAN POLITICAL PARTIZANSHIP INQUIRIES

Mr. POULIOT:

For a copy of all testimonies and reports of Mr. Robert Cote, inquiry commissioner, in connection with the inquiries for political partizanship held at Honfleur, St. Henri de Taillon, Langlais, Hebertville Station and Chambord in the county of Lac St. Jean.

CHARLES W. MCLENNAN

Mr. RALSTON:

For a copy of all correspondence, reports, telegrams, petitions and other communications to or from the Minister of Fisheries and any other ministers, minister, or official of the government and to or from any member or any official of the Civil Service Commission, and to or from any member of parliament or other persons or person, with reference to the service or fitness or otherwise or relating in any way to the dismissal or proposed dismissal of Charles W. McLennan, fishery guardian, river Denys, Inverness county, Nova Scotia.

ROSS RIFLE FACTORY—REMOVAL OF STORES

Mr. POWER:

For a copy of all documents, correspondence, memoranda, exchanged since August 7, 1930, between the chairman of the National Battlefields Commission or any member thereof, and the Solicitor General, the Prime Minister, the acting Prime Minister, the Minister of National Defence, the deputy Minister of National Defence, relating to the removal of stores from the Ross Rifle building at Quebec, and the demolition, either in whole or in part, of the said building, and the transfer of the site of the said property to the city of Quebec.

DEMOLITION OF BUILDINGS

Mr. VENIOT (for Mr. Power):

For a copy of all documents, correspondence, memoranda, exchanged since August 7, 1930, between any person or persons, firm or corporation, and the Solicitor General, Prime Minister, acting Prime Minister, Minister of National Defence, deputy Minister of National Defence, or the director of contracts of the Department of National Defence, relating to offers or tenders or submission of prices or recommendations in favour of any proposed contractor or oppo-

sition to any such contractor, in connection with the demolition of the Ross Rifle factory, Quebec, or any part thereof, together with all tenders, offers or prices submitted by any party or parties in connection with the said demolition.

TRANSFER OF SITE

Mr. VENIOT (for Mr. Power):

For a copy of all documents, correspondence, memoranda, exchanged since August 7, 1930, between the mayor of the city of Quebec, or any member of the city council or any members of parliament and the Solicitor General, the Prime Minister, the acting Prime Minister, the Minister of National Defence, the deputy Minister of National Defence, relating to the removal of stores from the Ross Rifle building at Quebec, and the demolition, either in whole or in part, of the said building, and the transfer of the site of the said property to the city of Quebec.

REMOVAL OF MILITARY STORES AND MACHINERY

Mr. VENIOT (for Mr. Power):

For a copy of all documents, correspondence, memoranda, exchanged since August 7, 1930, between any person or persons, firm or corporation, and the Solicitor General, Prime Minister, acting Prime Minister, Minister of National Defence, deputy Minister of National Defence, or the director of contracts of the Department of National Defence, relating to offers or tenders or submission of prices or recommendations in favour of any proposed contractor or opposition to any such contractor, in connection with the removal of military stores and machinery from the Ross Rifle factory, Quebec, together with all tenders, offers or prices submitted by any party or parties in connection with the said removal of military stores.

DEPARTMENT OF INTERIOR—ESTIMATES

Mr. REID:

For a return showing the total amounts appropriated during the first session of 1930, either in the main estimates or in any supplementary, to the Department of Interior, and also a return showing the total amount of such moneys as were expended by provinces.

J. ARTHUR BERNIER

Mr. SEGUIN:

For a copy of all documents, letters, correspondence, memoranda, in connection with an inquiry held in the case of Mr. J. Arthur Bernier, former customs and excise district inspector at Montreal; also a copy of said inquiry and the report made in connection with same, along with a copy of all documents, letters and correspondence relating to the retirement of the said J. Arthur Bernier.

DOCTOR DIGOUT

Mr. ILSLEY:

For a copy of all correspondence, reports, telegrams, petitions and other communications to or from the Minister of the Interior, and any other ministers, minister or official of the government or any member or official of the Civil Service Commission and to or from any member of parliament or other persons or person, with reference to the service or fitness or otherwise or relating in any way to the dismissal or proposed dismissal of Dr. Digout from the position of medical attendant to the Indian reservation at St. Peter's, Nova Scotia.

[Mr. Veniot.]

WILFRID BOUDREAU

Mr. ILSLEY:

For a copy of all correspondence, reports, telegrams, petitions and other communications to or from the Minister of National Revenue, the commissioner of customs, and any other ministers, minister, or official of the government, and to or from any member of parliament or other persons or person, with reference to the service or fitness or otherwise or relating in any way to the dismissal or proposed dismissal of Wilfred Boudreau, officer of the Department of National Revenue, customs division, at St. Peter's, Nova Scotia.

Mr. ILSLEY: Dropped.

Mr. SPEAKER: Dropped.

CONSTRUCTION OF ICEBREAKER—HUNTERSTOWN

Mr. CASGRAIN:

For a copy of all letters, telegrams, requests and correspondence exchanged with the Department of Public Works or any officer thereof at Ottawa, Montreal and Quebec with the authorities of Hunterstown, county of Maskinonge, in connection with the construction of an ice-breaker at Hunterstown; also plans, estimates and specifications for the construction of said ice-breaker, along with a return showing pay lists with the names of all labourers and carpenters employed on the said works, the amounts paid to each one, and amounts paid to the contractors who had charge of the said works during the year 1930.

DEPARTMENT OF MARINE—ESTIMATES

Mr. McINTOSH:

For a return showing the total amounts appropriated during the first session of 1930, either in the main estimates or in any supplementary, to the Department of Marine, and also a return showing the total amount of such moneys as were expended by provinces.

RED CROSS, SASKATCHEWAN—POSTMASTER

Mr. McINTOSH:

For a copy of all letters, telegrams, correspondence, affidavits, reports and other documents received by the Postmaster General, or any of his officials with regard to the alleged partisanship of the postmaster at Red Cross, Saskatchewan.

NORTH BATTLEFORD—AGRICULTURE EXPERIMENTAL STATION

Mr. McINTOSH:

For a copy of all letters, telegrams, correspondence, affidavits, investigations, documents and reports received by the Minister of Agriculture, or any of his officials, or on departmental files before the present Minister of

Agriculture assumed responsibility for the department over which he presides, with regard to any recommendation made or conclusion arrived at in connection with the establishment of an agricultural experimental station in the northwestern part of the North Battleford federal constituency, either north or south of the Beaver river.

SPRUCE LAKE, SASK.—POSTMASTER

Mr. McINTOSH:

For a copy of all letters, telegrams, correspondence, affidavits, reports and other documents received by the Postmaster General, or any of his officials with regard to the alleged partisanship of the postmaster at Spruce Lake, Saskatchewan.

ST. ALBAN, QUEBEC, RURAL MAIL CONTRACT

Mr. DESROCHERS:

For a copy of all documents and correspondence exchanged in relation to Mr. Jos. Lecuyer, holder of the rural mail contract at St. Alban, in the county of Portneuf, Quebec, and also a return showing if an inquiry was held in this connection, the name of the inquiry commissioner, the place where it was held, and the result of same.

LORETTE INDIAN AGENCY

Mr. DESROCHERS:

For a copy of all advertisements, applications, recommendations, ratings, memoranda of points received as a result of examination, in connection with the appointment of Maurice Earl Bastien, Jr., as Indian agent for the Lorette agency, Quebec.

DEPARTMENT OF NATIONAL REVENUE—APPROPRIATIONS AND EXPENDITURES

Mr. HURTUBISE (for Mr. Boulanger):

For a return showing the total amounts appropriated during the first session in 1930, either in the main estimates or in any supplementary, to the Department of National Revenue, and also a return showing the total amount of such moneys as were expended by provinces.

RIMOUSKI ACCOUNTS

Sir EUGENE FISET:

For a return showing the full and complete details of all accounts submitted by Mr. Gerard Simard, of Rimouski, Quebec, amounting to $488.50 for ten days work, as appears in sessional paper No. 128 laid on the table of the house; and also showing the full and complete details of all accounts submitted by Mr. Alphonse Garon, of Rimouski, amounting to $966.90 for thirty-three days work, as appears in sessional paper No. 128 laid on the table of the house.

ST. ZACHARIE CUSTOMS OFFICER

Mr. DENIS (for Mr. Lacroix):

For a copy of all orders in council, documents, correspondence, memoranda and reports in connection with the dismissal of Edouard Groleau as customs excise enforcement officer at St. Zacharie, Quebec.

UNEMPLOYMENT RELIEF—ARGENTEUIL

Mr. DENIS (for Mr. Lacroix):

For a copy of all documents, correspondence, memoranda, letters, exchanged between the Minister of Labour at Ottawa and the director of unemployment at Ottawa, and any person or persons, in connection with the expenditures of moneys under the Unemployment Relief Act, in the township of Gore, county of Argenteuil, Quebec.

POLITICAL PARTISANSHIP

Mr. TOTZKE:

For a return showing the names of the persons charged with political partisanship whose conduct was investigated by Major Theodore Paquet, advocate of Quebec, together with an indication of the result of each such investigation, and of the expenses incurred in each case; also a return showing whether or not the person accused of political partisanship was present or was represented by counsel or otherwise, and the name of such counsel where he was so represented.

POLITICAL PARTISANSHIP

Mr. BOTHWELL:

For a return showing the names of the persons charged with political partisanship whose conduct was investigated by Robert Cote, advocate of Quebec, together with an indication of the result of each such investigation, and of the expenses incurred in each case; also a return showing whether or not the person accused of political partisanship was present or was represented by counsel or otherwise, and the name of such counsel where he was so represented.

BOVINE TUBERCULOSIS

Mr. SEGUIN:

For a copy of all documents, letters, correspondence, requests and petitions, in connection with the establishment of a reserve zone against bovine tuberculosis in the county of l'Assomption-Montcalm.

ST. LAZARE DE BELLECHASSE POST OFFICE

Mr. FAFARD (for Mr. Boulanger):

For a copy of all documents, reports, correspondence, letters, telegrams, recommendations, requests, applications, protestations, relating to the dismissal of Madame Alphonse Leroux as postmistress of St. Lazare de Bellechasse, and the change in location of the said post office.

UNEMPLOYMENT RELIEF ACT

Mr. FAFARD:

For a copy of all correspondence, reports, memoranda and recommendations exchanged between the federal Minister of Labour or any other Minister of the federal cabinet and the director of unemployment at Ottawa, on the one hand, and the Minister of Labour of the province of Quebec, or any other minister of the Quebec provincial cabinet and the director of unemployment, at Quebec, on the other hand, relating to: (a) the date fixed for the commencement of works undertaken under the Unemployment Relief Act, 1930; (b) the date

fixed for the completion of such works, together with all instructions, rulings and regulations issued by the federal government or its representatives in connection with the aforesaid matter.

MOTIONS FOR PAPERS

COMPENSATION FOR SLAUGHTERED ANIMALS

Mr. TETRAULT:

For a copy of all documents, letters and correspondence, in connection with indemnities to be paid by the federal government for slaughtered animals in the province of Quebec, under the system of reserved zones, since the establishment of said system; also a return showing the number and the average indemnity of the slaughtered animals by counties, and the average indemnity per head of cattle ranging from the age of one, two, three and over, for registered animals and cross-breeds.

Sir GEORGE PERLEY (Argenteuil): I do not know whether the hon. member (Mr. Tetrault) is present or not, but it seems to me he hardly wants to get all the information contained in this notice of motion. This would mean going away back to the beginning of the system, many years ago, and it would involve a very voluminous return. I can see no objection to the information being provided if he really requires it over such a long period, but I suggest he might limit its scope.

Motion stands.

PENSION TRIBUNALS

Mr. DUFF:

For a copy of all correspondence, telegrams, or instructions, sent by the registrar of the pension tribunal or the chairman thereof, or under the direction of either of the pension tribunals or any member thereof, and for a copy of all letters, telegrams or other communications sent to the registrar or chairman of the said pension tribunal by any member thereof or by instructions of any member thereof.

Mr. DUFF: I was unavoidably absent, Mr. Speaker, when this motion was called the other day. I notice by Hansard that my right hon. friend the Prime Minister (Mr. Bennett) thought that this motion might be dropped. I can assure him and the house that I am quite willing to restrict its scope as much as possible, and consequently, I would amend the motion to read as follows:

For a copy of all correspondence, telegrams, or instructions sent between the 1st of November, 1930, and the 1st of April, 1931, by the registrar of the pension tribunal or the chairman thereof, or under the direction of either the chairman or registrar of the pension tribunals holding sittings throughout Canada, and for a copy of all letters, telegrams or other communications sent to the registrar or chairman of the said pension tribunal by any member thereof or by instructions of any member thereof between the above dates.

[Mr. Fafard.]

That restricts the information to a certain period.

Mr. MacLAREN: Mr. Speaker, I do not gather from what the hon. member has said that his restriction would limit the correspondence very materially, for it covers practically the active period of the tribunals' work. I believe the furnishing of the required information would involve several hundred pages of returns. As was pointed out, I believe by the Prime Minister, the tribunals and appeal court are like judicial bodies and are largely independent of the department which I happen to have under my charge. I would suggest to the mover of this motion that there is no difficulty in obtaining the information such as he desires from any of these bodies, and if he would write to the tribunals or to any of the officials thereof, I feel satisfied that they would be ready to afford him such information.

Mr. DUFF: I do not quite understand what the minister means. He first stated that this motion would involve very voluminous returns covering several hundred pages; then he asks me to write a letter to the tribunals to get the information. I think my request is a very fair one. If it takes a little time to secure the information I am willing to wait for it, but certainly I think I am entitled to what I have asked for.

Mr. MacLAREN: True, I stated that the information would involve a voluminous return of several hundred pages, but I still think that my suggestion to him is not inconsistent with the first part of my statement. Again I suggest that he communicate with the tribunal, and so get all the information he wishes without having it burdened with a lot of purely routine matter.

Mr. MACKENZIE (Vancouver): Mr. Speaker, I disagree with the hon. Minister of Pensions (Mr. MacLaren) in his reference to these tribunals as being purely judicial bodies and thereby impliedly comparing them with our civil courts.

Mr. MacLAREN: Excuse me, I did not say "purely" judicial; I said judicial.

Mr. MACKENZIE (Vancouver): So long as we have in this house a minister responsible for the administration of the War Pensions Act, I think all questions should be answered by him, and I think all returns—

Some hon. MEMBERS: Order.

Mr. GUTHRIE: Mr. Speaker, these are not debatable motions.

Mr. MACKENZIE (Vancouver): The hon. minister has spoken, and I thought I might have the same indulgence.

Mr. GUTHRIE: No one can reply to the minister.

Mr. STEWART (Edmonton): Cannot anyone reply to ministers now?

Mr. MACKENZIE (Vancouver): I was going to suggest that the minister should furnish the return asked for.

Mr. SPEAKER: This discussion is entirely out of order.

Motion agreed to.

PUBLIC BUILDING—BLACK LAKE, QUEBEC

Mr. ROBERGE:

For a copy of all orders, and correspondence, in the possession of the government or any member thereof, reports, memoranda, including letters, confidential or otherwise, written by any member of parliament or minister of the crown or any other person, relating to the decision taken by the Minister of Public Works not to proceed with the construction of the public building at Black Lake, Quebec, for which construction the sum of $26,000 was voted in the estimates for the year 1930-1931.

Sir GEORGE PERLEY: I should like to direct attention to the words "confidential or otherwise" in the third line of this resolution. It is a well known principle that confidential letters are not included in these returns.

Mr. VENIOT: They are included if they are acted upon. That decision was made against me in 1929; any confidential message or letter, if acted upon, must be included in the return.

Sir GEORGE PERLEY: I have never seen any confidential letters in these returns, I think these words should be left out.

Mr. SPEAKER: The motion must be considered as it is printed. If the house does not wish to pass it, it may be denied. Those in favour will kindly say aye.

And the yeas and nays having been called for:

Mr. SPEAKER: I declare the motion lost.

Sir GEORGE PERLEY: May I suggest that since the hon. member is not here perhaps the motion might stand until he comes. He may be willing to have these words dropped.

Some hon. MEMBERS: He is here.

Mr. ROBERGE (Translation): Mr. Speaker, the interest of my constituents requires that this correspondence be brought down, and I think that we are entitled to have it.

Mr. STEWART (Edmonton): May I inquire if the motion now is refused by the house?

Mr. SPEAKER: I called for the yeas; I called for the nays, and I declared the motion lost.

Mr. STEWART (Edmonton): May I point out that it is a rather peculiar procedure to refuse information of this character?

Motion negatived.

PEGGING OF WHEAT PRICES

Mr. McINTOSH:

For a copy of all petitions, resolutions, recommendations, letters, telegrams, documents, reports, as well as an epitome of all verbal representations addressed or communicated to the Prime Minister, the Minister of Agriculture, or any other minister, recommending the pegging of wheat or grain prices from any farmers' organization, pool selling agency or unit thereof, municipality, board of trade, service club, community association and individual or collection of individuals, from the North Battleford federal constituency since July the 28th last, and the respective replies thereto.

Mr. GUTHRIE: In regard to this motion, I am instructed to say that the documents are so many that it will take months to prepare them. There are literally thousands of them.

Mr. McINTOSH: This is only one riding.

Sir GEORGE PERLEY: As a matter of fact, if the hon. gentleman wishes to put it through in this way I see no objection. But the great bulk of these letters, telegrams and petitions are more or less in the same language and of the same purport. The ex-Minister of Agriculture (Mr. Motherwell) amended a motion of his the other day so as not to require all these to be copied. Most of the answers were drawn up in the same terms, one after the other, and I thought possibly the hon. member might consider altering the motion somewhat with a view to receiving typical telegrams and letters and the total number of them, or something of that kind. I have no objection to his receiving the information.

Some hon. MEMBERS: Carried.

Motion agreed to.

DEPORTATIONS TO GERMANY

Mr. HEPBURN:

For a copy of all correspondence, reports, other documents, on file in the Department of Immigration dealing with the deportation by United States authorities of one August Gabert, formerly of Toronto and Welland, to Germany, and with the pending deportation of his wife, Bertha, to the same country by the Canadian authorities.

Mr. GORDON: If it is a fact, as seems to be indicated in the resolution, that the deportation of this woman is pending before the department, I have no personal knowledge of it, yet its pendency is likely on some appeal

to the minister. I suggest to the mover of the resolution, who is not in his seat, that he allow the matter to stand until I have had an opportunity to look into it; because I doubt the wisdom of having an order of this character pass when an order for deportation may be pending in appeal before the person entitled to hear and determine such appeal.

Mr. SPEAKER: In the absence of the mover, the resolution will stand.

Motion stands.

POLITICAL PARTISANSHIP

Mr. VALLANCE:

For a return showing the names of the persons charged with political partisanship whose conduct was investigated by Fanning Gosselin, advocate of Quebec, together with an indication of the result of each such investigation, and of the expenses incurred in each case; also a return showing whether or not the person accused of political partisanship was present or was represented by counsel or otherwise, and the name of such counsel where he was so represented.

Mr. LAVERGNE: In every case the accused was represented by counsel.

Some hon. MEMBERS: Order.

Motion agreed to.

INTERNATIONAL PEACE

CHAIRS AND SCHOLARSHIPS IN CANADIAN UNIVERSITIES TO PROMOTE INTERNATIONAL UNDERSTANDING AND GOOD WILL

Miss AGNES MACPHAIL (Southeast Grey) moved:

That, in the opinion of this house, for every one hundred dollars spent on war one dollar should be spent to promote peace by instituting international professorships and scholarships in leading Canadian universities.

She said: I spoke on a similar matter last year, there was then quite a long debate on it, and I hope therefore that we shall not now find it necessary to consume much of the time of the house. The resolution last year was referred to the committee on industrial and international relations and that committee called four witnessess as follows:

Dr. O. D. Skelton, Under Secretary of State, Department of External Affairs.

Mr. Graham Spry, national secretary of the associated Canadian Clubs.

Dr. Norman A. Mackenzie, L.L.M., head of the Department of International Law, of Toronto university.

Professor P. E. Corbett, dean of the Faculty of Law, McGill university.

[Mr. Gordon.]

Dr. H. M. Tory, president of the League of Nations Society of Canada submitted a written memorandum. Letters from Dr. Murray, president of the university of Saskatchewan, Professor R. A. MacKay, of Dalhousie university, and Dr. Robert C. Wallace, of the university of Alberta, were also submitted to the chairman and were embodied in the report.

The committee reported back to the house and since the report is very brief, I want to give it to the house. They said:

1. That the facilities that now exist in the Department of External Affairs should be extended and increased, especially in regard to the spreading of information on the international relations of Canada with other countries in the commonwealth of British nations, and also with other nations of the world. Your committee are of the opinion that this department is doing excellent work along these lines and recommend for your consideration the establishment of a central research library on inter-imperial and international matters in connection with the department.

2. That the whole subject be given further consideration by a committee of the house at the next session of parliament.

It is because of the last paragraph in the report of the committee that I am again addressing the house on the subject. While the witnesses before the committee did not all agree with each other, nor did the members of the committee all think we ought to have chairs on international relations in the universities, nor did they all think we should have scholarships on international affairs in the universities, still there was a feeling in the committee and I think it was unanimous that Canada does lack in those facilities which will fit our young men and women, graduating from the universities, to become servants of Canada in our legations abroad or to serve Canada well in the field of research or journalism or the many other things requiring extensive knowledge of international affairs. As a matter of fact, I think we can go so far as to say that some understanding of international affairs and of the relation of Canada to the world as a whole, is required by everyone twenty-one years of age and over. Everyone who votes today ought to have at least some understanding—and the greater the understanding the better—of international affairs.

Because I know what a lot of evidence and reports come to the desks of members. I am aware how difficult it is to find time to read them, so I want to review as briefly as I can some of the points made by the witnesses. Mr. Norman Mackenzie, who, as I said a moment ago, is head of the department of International Law in the university of Tor-

onto, stressed the fact that we have not the library facilities that we should have. He said:

I know myself that our libraries are not adequate and any method of assistance that the government can suggest would be desirable, and I am sure would be accepted.

At another place he says:

You might establish in Ottawa a library on international law and international relations in connection with the Department of External Affairs, in connection with the library of parliament, or in connection with the Archives. That is one way. Students would come here in their spare time, vacations and so on, to study.

Then he gave another suggestion which seemed to me to have merit. He said:

I suggest that the Department of External Affairs, in addition to the publications that it does issue from time to time, should compile each year a volume of those documents that are not secret, those documents that are public documents, relating to international or inter-imperial affairs in Canada, and include with them the debates in Hansard on international affairs and imperial affairs. I think that kind of publication would be of great value to students of international law and international relations, not only in Canada but all over the world.

Dean Corbett also made it clear that he did not believe that we had the facilities in our universities that we ought to have. Dr. Murphy asked Dean Corbett this question:

Do you feel our Canadian universities have not been keeping apace, in growth and knowledge, on international subjects?

Dean Corbett replied:

I am afraid that that is true. I think that the universities have lagged behind, that they have not recognized the charms and the importance of international affairs as a medium of liberal education, for one thing. I think that may be explained by the lack of money, but not entirely. There has been a tendency among the universities to regard university training as to being exclusively aimed at the preparation of men for a business or professional life in this country, and too little attention to fitting them for life as members of the human community.

Professor R. A. MacKay of Dalhousie university told something of his work. He said that he taught the subjects of international law and international relations at Princeton and Cornell universities, and also at Dalhousie, and returned to Canada three years ago. He said:

Since my return to Canada three years ago, I have been more and more impressed with our deficiencies in teaching international relations in Canada. In the first place, there is relatively little attention given to the field in our universities. Secondly, the facilities for teaching the subject in Canada are utterly inadequate. Not a single library is adequately equipped for research work, except in isolated subjects. In this respect eastern Canada is, perhaps, the worst section of Canada. For example, so far as I am aware, there is no collection of the British Accounts and Papers, or British, Foreign and State Papers, or British Hansard, in the maritime provinces. Nor is there any complete collection of the League of Nations papers, nor American government documents.

The same professor also said:

We need to train experts for public service, for teaching, for research, for journalism and other activities. At present there are really no adequate facilities for this in this country.

Dr. Skelton gave a most excellent speech. I shall not go into it because he did not give those short quotations that suit my purpose at the moment; but his speech is well worth reading by every member who has not already done so. Dr. Skelton, while he was very careful, admitted that much more could be done than was being done to fit students to function well in the realm of international affairs.

I am going to suppose that members of the house will say: While this may be very good, it cannot be done because education is a matter over which the provinces have jurisdiction, and we cannot interfere. I want to quote what was said on that point by Dr. Skelton, Professor Mackenzie and Dean Corbett. May I quote from Dr. Skelton first. Speaking of scholarships he said:

They (the Dominion government) could establish scolarships without incurring the discrimination involved in selecting this institution or that institution for the grant of funds for a chair of international relations.

He goes on:

There is, further, a certain precedent in the aid given by the Dominion government to the National Research Council, which uses a large part of its federal grant, in establishing bursaries and scholarships to students in the natural sciences, though these are practically all used for graduate work in Canada itself.

I want the members to recall that Professor Mackenzie teaches international law, and in speaking of this difficulty of the provinces having jurisdiction over education, he says:

Now, among other things, I teach constitutional law, and realize that there are certain difficulties in the way of the Dominion government, or the federal parliament, interfering with the rights of the provinces.

Further on he said:

But I do feel that there are steps that the Dominion government can and should take to bring the matter of education in international relations to the attention of the authorities in the provinces. One of the methods that I would suggest to the people that are interested in such things is the method that has been adopted by the Department of National Defence.

He goes into that method a little more fully. Dean Corbett, who is also a professor of law, in dealing with this point said that once the principle was agreed to, he felt that anything that stood in the way of its being carried out could be overcome. Last year the then Minister of Justice (Mr. Lapointe), speaking to my resolution, on March the 6th, said, at page 354 of Hansard:

> By a request from the provinces or by negotiations of some kind a way might be found to effect the purpose of the resolution.

So we have all these authorities saying that if the government really wanted to give a grant to the universities of the provinces, a way to do it could be found. I agree with that, because I have noticed in this house that when the government really wants to make a grant, there are ways found to get around any difficulty. The cadet grant which goes to the provinces is certainly one instance, and another is the grants for technical education. Then, too, the federal government has charge of peace and war. It is their business to prepare the country so that if we go into a war we shall win. Those who believe that we can win security best by armaments rely upon the federal government for the armaments. So I think it is perfectly fair to say that if the Dominion government are looked to by the people of Canada to win security through armaments, they should also be looked to to secure security through other methods, one of them being education. We are spending a very great sum of money yet for armaments and military preparation. Possibly over 40 per cent of our total budget goes on war account, past and in preparation. So, while I am not stressing the one dollar for every hundred, because to me that would only be the thin edge of the wedge, I do not feel that it is too much to ask the Dominion government to give some leadership in this matter, and leadership in a financial way, to the universities to help them prepare graduate students to function well in the realm of international affairs.

I want to quote again, because it is really the evidence that I am most concerned with, what these men said might be done. Professor Mackenzie gave the sort of evidence that can easily be quoted from. He said:

> I am not particular how it is done, but I do think that it is of great value to have as many young men and young women as we can from our country going to other countries for their post-graduate work. They go to France; they go to Germany; they go to Italy; they go to Great Britain; to the United States. They come back with a different attitude toward international relations and toward the opinions and ideas and cultures of other peoples.
>
> [Miss Macphail.]

And President Wallace, in the letter which he sent to the chairman of the committee, also stressed this point. He said:

> My feeling is that scholarships sufficient in attractiveness to give our best men an opportunity to spend some time at Geneva and elsewhere in Europe would on the whole be the best service that could be provided to stimulate interest and knowledge in international affairs. As a rule it is not possible for universities with their relatively limited finances to provide such scholarships and we have to rely on public-minded citizens who are interested in this work or the Dominion of Canada to help out in financing such schemes.

Professor Murray of the university of Saskatchewan referred to the benefit they had received from the fact that certain of their professors had gone abroad. He said:

> It seems to me the greatest assistance could be derived from travelling scholarships enabling students and teachers of the university to see conditions at Geneva and Europe at first hand. This opinion is given because of our experience here.
>
> Two students and one professor, Mr. Simpson, Professor of History, were enabled to visit Geneva and study conditions in Europe and they returned ardent advocates of the League of Nations and firmly convinced of the necessity of promoting a better understanding among peoples of the world.

He stated further that it would be worth while for other people to go. As members of the committee will recall, Professor Skelton made a suggestion. His suggestion was that in examinations for the position of first, second and third secretaries of the Department of External Affairs those who stood first in the examinations would be appointed in the usual way to their positions in the department. Those who came next in the list would be given an opportunity at the expense of the Dominion government to go to Europe themselves, to attach to one of the legations for part of the year, and then to spend the rest of the year in a foreign university. The reference is rather long and I am not quoting the exact words. This winter I read with great interest a book entitled "Learning and Leadership" by Alfred Zimmern. I found in it a sentence which fits my resolution very well. In this book Mr. Zimmern discusses the great need of education because of our changed position in this world wherein the interdependence of nations plays so great a part. At page 54 I find the following:

> The opening of the mind to international understanding is indeed not a special luxury for the few. It is an indispensable concomitant of democracy. It goes with the vote. "We must educate our masters," said an English statesman at a moment when the suffrage had been widely extended but no system of general popular education yet brought into being.

And then he adds:

> We are in a similar perilous interlude to-day. We have established an international political organization without providing the people with the means for understanding or controlling it.

That statement I feel is true, and it is because I feel it is true that again I urge the house to do something to help the universities prepare our people for the new responsibilities upon them. Dr. Skelton in his rather lengthy but most excellent speech before the committee stressed the shrinking character of the world to-day. He pointed out that humanity is one, and that we must know much more about each other than we have in the past. That for which I am asking in this resolution is not new. The national government of France has done a great deal to provide scholarships and to encourage students to come from other countries to their country, and to enable French students to study abroad. There are departments of international relations in several universities. There is one in the national college of Wales, and another at the London School of Economics. I might mention that Professor Zimmern was the first professor of international relations in the college of Wales. Many American universities have such a department and while Cambridge and Oxford do not so designate the departments, they have eight or more professors lecturing on international law and international relations. I feel that any hon. member who read from beginning to end the evidence I have in my hand would feel that in this country we lack facilities. We lack library facilities; we need more scholarships to send students abroad and bring others to us, and I think it is not too much to ask that at some point in Canada we should have a department in a university which could be called "the department of international relations." At the present time we have no such university department. I know as well as other hon. members in this house that we must have economic justice before we can have permanent peace. I realize that education alone will not bring the state I desire. Surely however if we have departments, professors and students who are devoting their time especially to the study of international relations as they exist to-day, we will be doing something to bring about economic justice. It is because this seems to me to be true that I again present the resolution before the house for its favourable consideration. All I ask hon. members to do is to have the resolution again sent to the committee on industrial and international relations.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I have listened with great interest this afternoon to the address which has just been concluded by the hon. member for Southeast Grey (Miss Macphail). I remember quite well that about a year ago the same hon. member addressed this house upon a motion similar to that to which she has just spoken. The hon. member is to be congratulated on the very deep interest she has always taken in this matter. The subject she has presented to the house is one which must be of general concern to all right thinking people in the various countries of the world; I refer to the great cause of international peace. I realize that it is to that subject she has directed her remarks. If I say sir, that in my humble judgment her proposal is more academic than practical, I trust she will take no offence at my remarks. I think perhaps the motion she has placed before the house may be viewed in the light of an invitation to engage in a general discussion of the question of the furtherance of peace in the world; that, I take it, is the central idea of her motion. I believe she has in mind more the promotion of peace than a definite proposal for the expenditure of public money in a certain specific manner. One has but to look at the motion and note the exact language of it to form a proper conclusion. The motion is:

> That, in the opinion of this house, for every one hundred dollars spent on war one dollar should be spent to promote peace by instituting international professorships and scholarships in leading Canadian universities.

Last year when the matter was under discussion the then Minister of Justice (Mr. Lapointe), now the hon. member for Quebec East, raised an objection which to my mind is very formidable, namely, that the motion as proposed is contrary to the express provisions of the constitutional act of this country. And I agree with the opinion in that respect expressed last session by the then Minister of Justice. We all realize that in this country we carry on within the confines of a written constitution, and I think we all know that section 93 of that written constitution very definitely prescribes that in and for each province the legislature may exclusively make laws in regard to education. I know of no section of the British North America Act which is so well known, and so well understood for that matter, as section 93 which I have just quoted, and in my opinion this motion as now drawn and presented to the house contravenes both the letter and the

spirit of that enactment. Holding that opinion, I for one could not agree that the house accept the motion in its present form.

I do not say for one minute that the constitutional difficulty is insurmountable. I recall many instances during the past fifteen or twenty years in this parliament when we have been able to overcome apparent constitutional difficulties by the manner in which parliament concluded to take action. This motion proposes a straight financial grant of one per cent of the amount which we now spend for armaments for a special kind of education to be carried on through the agency of certain leading universities in the Dominion. That, in my judgment, Mr. Speaker, is, as I have said, a plain contravention of both the letter and the spirit of the British North America Act. I recall that on many occasions we have been able to circumvent some of the constitutional provisions by which this parliament is surrounded. I recall that this parliament did, on a former occasion, pass legislation to make grants for the construction of highways, and I realize that the question of roads, highways and bridges is purely and simply a question of municipal and of provincial legislation; but we did it, viewing the question of highways as being very closely concerned with the great transportation problems of the Dominion. But we did not do it in the manner suggested in this motion. We did it by a direct grant to the provinces in fair and equitable proportions, and we appointed the provinces the agency for the expenditure and control of that money within certain limitations and conditions which we attached to our grant. One need not argue before this house that parliament has no power to engage in ordinary highway construction; but we have power to make grants in aid of it, provided we make our grants through proper agencies and merely in aid of provincial work. So we did, only last August or September, in respect to unemployment—unemployment being a matter primarily municipal, then provincial, and lastly, and only lastly, a matter which pertains to the parliament of Canada; but we made our grants in that case direct to the provinces, and so we were able to overcome any constitutional objections. So we did in regard to technical education. Twenty-five years ago in this house it was urged in some quarters that parliament had no right to spend money upon technical education. I remember very well the discussions which then took place, because I think I had the honour of introducing the first resolution on the question of technical education. At first we thought the most we could do perhaps was to hold an inquiry, and a commission was appointed by the right hon. gentleman who now leads the opposition (Mr. Mackenzie King) and who was then Minister of Labour, to inquire into the whole question of technical education with the idea of ascertaining just what this parliament could do in regard to the matter. After the report was received parliament did take action, and in spite of section 93 of the British North America Act we made grants to the provinces. Having regard to the population of each province, our grants were upon a fair and equitable basis. We attached certain conditions and limitations to our grants, but we made the provincial authorities the spending authorities and allowed them control of the fund to carry on the great work of technical education within the various provinces.

Now, if such a course were adopted in this motion, I believe the constitutional difficulty would be overcome, but a considerable amendment of the motion as it is at present drafted would be required. If this parliament should consider it wise to make grants to further the objects so ably discussed by my hon. friend from Southeast Grey provision might be made for grants of money to the provinces, to be expended by them as they saw fit: but not, I submit, grants to the leading universities. No matter how worthy the object, no matter how good the intent, a grant by this parliament to any of the leading universities for the purposes mentioned in this motion would, I submit, be wholly unconstitutional and beyond the proper legislative sphere of the parliament of Canada. My view in regard to this proposal as it now stands before the house is that upon constitutional grounds it cannot be accepted.

However, there is another side to the question, and very briefly I propose to give the house my own views and opinions thereon.

Mr. CAYLEY: How about the grants for cadet training in the public schools, especially the high schools?

Mr. GUTHRIE: That money, I understand, goes to the provinces to be apportioned and spent by them, and is looked upon as part of, indeed it is included in, the expenditure of the Department of National Defence. Militia and defence is specifically mentioned in the British North America Act as one of the subjects over which this parliament shall have exclusive jurisdiction. But I submit that this motion should not be favourably entertained by this house for other reasons. Last year, as I listened to the discussion which took place on this motion, having particular

regard to the able speech delivered by my hon. friend from Southeast Grey and to a number of other speeches which were then delivered, the only inference that I could draw from all I heard was that my hon. friend from Southeast Grey and those who saw fit to support the motion were under the impression that in some respects Canada was rather lagging behind in regard to this great question of world peace, that for some reason or other Canada was negligent or careless in regard to this question. I recall that my hon. friend from Southeast Grey mentioned that in Canada we have practically no peace societies, no magazines devoted to peace and no organized peace propaganda. These were some of the points which she urged last year as reasons why this house should adopt this motion.

Miss MACPHAIL: I am sure the Minister of Justice does not wish to misrepresent what I said. After having made the statement I did in that connection, I went on to enumerate the agencies we did have. I did say that as compared with other countries we were greatly lacking in such agencies, although I did not make the statement which the minister has just attributed to me.

Mr. GUTHRIE: Then let me say that my hon. friend stated that we had not sufficient peace magazines, peace societies and peace propaganda, and that as compared with other countries we were lacking in that respect. My view, Mr. Speaker—and I have given some considerable thought to the matter—is that of all the countries in the world to-day Canada has been in the forefront in her efforts in support of every movement for the establishment of world peace. That has been the consistent record of this country since the signing of the peace treaty at Versailles in 1919. Other countries may be open to criticism in respect of their efforts in regard to world peace, but of all the countries in the world Canada should be safe from any such criticism.

What is our position in that respect? We are but a small nation numerically; we are not rich. Canada consists of ten million people, at the most, in moderate circumstances, having a tremendous country to care for, yet we were among the first of the nations to subscribe to the peace treaty of Versailles, which was the starting point of all practical peace movements so far as the civilized world is concerned. Likewise we were among the first to subscribe to the covenant of the League of Nations, the first great practical measure that ever has been undertaken by the civilized nations to secure the peace of the world. Later on we were among the first of the nations to subscribe to the theory of the world court, a permanent court of international justice to deal with disputes between nations and to settle those disputes by peaceable means. We subscribed to that at the very first opportunity, and we have adhered to that permanent court throughout all its vicissitudes from that time down to the present. We have become a party to treaties having to do with the limitation of armament; we have become a party to the treaty for the renunciation of war, and what is more, we were among the first of the nations to accept what is known as the optional clause in regard to submission of all questions of international disputes to the permanent court at The Hague.

It is a strange thing, but within the last ten days no less than three members of this house have asked me just what is that optional clause, and I thought for general information and for convenience it might be well to put it on record. In the treaty under which the permanent court at The Hague is established, there is a clause which nations may accept or reject. They may sign or they may refuse to sign, but having signed that clause they are compelled to submit practically all international questions to the arbitrament and decision of the permanent court. It is a matter of compulsion the moment they have signed the optional clause. That clause is as follows:

> The undersigned, being duly authorized thereto, further declares on behalf of their government, that, from this date they accept as compulsory ipso facto and without special convention, the jurisdiction of the court in conformity with article 36, paragraph 2, of the statute of the court under the following conditions:

These are the conditions:

> The members of the League of Nations and the states mentioned in the annex to the covenant may, either when signing or ratifying the protocol to which the present statute is adjoined or at a later moment, declare that they recognize as compulsory, ipso facto, and without special agreement, in relation to any other member or state accepting the same obligation, the jurisdiction of the court in all or any of the classes of legal disputes concerning:
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> (a) The interpretation of a treaty;
>
> (b) Any question of international law;
>
> (c) The existence of any fact which, if established, would constitute a breach of an international obligation;
>
> (d) The nature or extent of the reparation to be made for the breach of an international obligation.
>
> The declaration referred to above may be made unconditionally or on condition of reciprocity on behalf of several or certain members or states, or for a certain time. In the event of a dispute as to whether the court has jurisdiction, the matter shall be settled by the decision of the court.

Let the house bear in mind that the court was constituted in 1920; its constitution then was settled. That constitution was revised in 1926, and Canada adopted that revised constitution. It was again revised and brought up to date in 1929, and again Canada adopted the revision. Canada has given her consistent support to the establishment of that permanent court for the settlement of international disputes for the last eleven years.

What has been the record of the court? There has been no outbreak of war since its establishment. It has settled case after case of very far-reaching effect and of very great consequence which, under former conditions, might have resulted in actual hostilities. The record of the court up to date is clear; it is the highest record possible, because we have had no war and we have had no armed outbreaks. The more the nations throughout the world realize the situation and realize what that world court has attained and will attain in the future, I believe the more ready they will be, perhaps all of them, to become parties to the court and to sign the optional clause, as Canada has signed it, as Great Britain has signed it, and as all the British dominions now have signed it.

I grant that the outstanding defect of the permanent court to-day lies in the fact that our great and powerful neighbour to the south has not yet given its complete adherence to that international tribunal. We all hope the day may come, in the not too distant future, when the difficulties will be arranged which at the moment prevent the United States from joining the permanent court and adopting the optional clause. The parties are very close together at this moment, as a matter of fact; the senate of the United States has made five definite reservations, and if these reservations are accepted by the council and by the League of Nations the United States will become a party to the court. Four of these reservations are acceptable already to the League of Nations and to the court; one is still a bone of contention. I believe most people think that perhaps within the next few months, or within the next year or two, these difficulties will be removed and the United States then will become a full-fledged member of the court and a full signatory to the optional clause, but the United States has lent powerful support to the work of that court and, indeed, to the establishment of the court in its inception. Many of the ablest jurists in the United States have done marvelous work to assist that court. Some of their ablest jurists have been members of the court, and Mr. Kellogg, the former Secretary of State of the United States, is a member of it to-day, although the United States has not actually accepted the treaty.

The chief aim of that court is, perhaps, the highest aim which the human mind can contemplate: it is peace—international peace, world peace, the avoidance of war, the renunciation of war, the abolition of war, with all its dire consequences. Do not think me presumptuous, Mr. Speaker, when I say that the most important policy of this country and of every other country in the world to-day, the most important policy, whether foreign or domestic, is the maintenance of world peace. All other policies fade into insignificance at the merest suggestion of another world conflict. I grant you that it is somewhat discouraging to reflect that during the past year of grace the military and naval armaments throughout the world have increased rather than diminished. They were greater last year than they were prior to the outbreak of the war in 1914. The world's expenditures on naval and military armaments have been, I say, largely increased, notwithstanding leagues and covenants and courts and treaties of limitation, arbitration and renunciation. It only goes to show, Mr. Speaker, that men are not yet willing in this world to beat their swords into ploughshares and their spears into pruning hooks. Something more, perhaps, is required. But that world court is doing all it is humanly possible to do at the moment. It is a practical agency; it is a powerful agency. I doubt whether we could add to its prestige or to its authority or to its power by passing this motion and establishing university scholarships as an aid in the peace movement. Let us devote our energies and our financial aid to those tremendous agencies for peace which are now at work in the world—the League of Nations, with all its ramifications, the permanent court, and the treaties of disarmament, if you will. And that is just another instance in which Canada has shown the world a wonderful example. No one can speak of this country as a militaristic country in any sense of the term. True it is that when the occasion arose Canada did herself proud and on short notice raised half a million men to take part in the great conflict. But, I repeat, we are not a militaristic people in any sense of the word. To-day we are the least taxed of any people in the world in regard to military or naval expenditures. I caught a word from the speech of my hon. friend from

Southeast Grey a moment ago which gave me the impression that she had said we spent about 40 per cent of our budget on armaments.

Miss MACPHAIL: For war expenditures past and present.

Mr. GUTHRIE: I suppose that includes interest on debt, pensions and the like. But it is a proud thing to know that to-day, according to the figures proposed in the estimates laid on the table this session, less than 4 per cent of our budget is for armaments. And if you take our expenditure on the basis of population you will find that this year it will be only $1.65 per head for all the people in Canada—far and away the lowest of any country in the world. In the United States it is $5.85; in Great Britain, $13.70; in France, $7.60; in Australia, $3.85, and in New Zealand, $3.70, while in Canada, as I say, our expenditure is $1.65 per head for every man, woman and child in the country. Surely Canada is giving the world a real example in the way of disarmament.

I do not say that we should go further in the matter of disarmament. I maintain that we have a trust in this parliament which must be carried out. We are trustees for the people of this country, for the safety of our land, and we must support some armament. Whatever is necessary to safeguard the shores of this country from invasion; whatever is necessary for the security of the life and property of our citizens; whatever is necessary to enforce respect for the rights of the people in regard to both life and property; whatever is necessary to maintain peace, order and good government, it is our bounden duty to supply a military force of sufficient strength to see to it that our shores shall remain inviolate, that our population shall be fully protected, and that peace, order and good government shall prevail in this country. I do not believe we can go much lower; indeed, the question that comes up in my mind is whether we have gone down too far already and have cut our estimate too greatly. True it is we have had to have regard to the conditions which prevail financially in Canada during the present year, and the extra cut has become necessary on that account. But I think we all realize that, with the vastness of our possession here, we must provide at least adequate military and possibly naval protection. And that, I am satisfied, this parliament will always grant. At the same time, however, I am glad to be able to state that among all the nations of the world that give returns and statistics Canada, if judged by the actual figures, is the least open to censure, the least open to criticism. But I do not think that we should be called upon to spend any more money than we are already spending, especially in academic pursuits such as that proposed in the motion which is now before the house.

Personally I have no objection to this motion going back to the committee which dealt with it last year. Much valuable information in regard to the nation seems to have been obtained from the deliberations of that committee. I do not think any practical result can come from the adoption of the motion, and while, as I say, I have no personal objection to its going before that committee, for my part I think it would be better on all hands if we simply allowed the matter to drop.

Mr. MICHAEL LUCHKOVICH (Vegreville): I rise to place myself on record as being wholly in accord with the principle of the resolution moved by the hon. lady member for Southeast Grey (Miss Macphail). I rise, firstly, because I am heartily in accord with the purpose of the resolution proposed by the hon. member, and secondly, because I have never before risen to support any lady—that is, on the floor of the House of Commons. In view of the fact that the subject under discussion is the question of peace, I believe it would be in place for me to set an example accordingly by transposing my reasons for participating in this debate. Thus my chief reason would be to support a lady, especially when she is in such apparent but not real distress owing to the masterly speech delivered by the Minister of Justice (Mr. Guthrie). And my second reason is my belief in what she says relative to peace.

Realizing as I do that many people in Canada and possibly some hon. members in this house—at least the Minister of Justice has said a few things with respect to what I am going to discuss—might frown upon the proposals made by the hon. lady member, on the ground that they are too purely idealistic, that is to say, righteous in theory but hopeless in practice, as suggested by the Minister of Justice, I should like to offer the observation that in view of the tremendous necessity of our maintaining civilization, the best minds of the world, including no less a personage than a former prime minister of Canada, the Right Hon. Arthur Meighen, are recorded as doing something with respect to peace. Instead of ignoring the peace movement and regarding it as a sort of romantic dream, they are beginning to realize more

and more that the peace movement is rooted in common sense and in the fundamental needs of genuine progress. The peace movement is not a mere pipe dream; it is rather the only practical and genuine cure for all the ills that mankind has fallen heir to because of the false and fallacious ideas held by our ancestors with respect to war as a solution for our national and international difficulties.

What great problem has the last war solved? Has it made this world a better, happier and safer place to live in? Who won the war? These are questions I defy any hon. member to answer effectively and affirmatively. Believing as I do there is no single redeeming or permanently beneficial factor in war I cannot see why in the name of heaven we should tolerate or advocate war. The last war proved beyond doubt that there is no such thing as a victor in war; that on the contrary both the vanquished and the supposedly victorious are losers in such a futile conflict. In the words of the Right Hon. Arthur Meighen, civilization has to end war or war will end civilization. In an address to the World Alliance for International Peace, Mr. Meighen made the following very pertinent remarks:

> This race of human beings has to adjust itself to new facts. That is, facts which never existed before. It has to adjust itself to new tremendous facts or pass out. The chief is this; science has given us so great a command over the elements of nature that millions can be snuffed out in this day in a mere matter of moments. Where hundreds fell before in manly contests, arm to arm, great cities, the whole countryside, can now be eaten up by the insatiate man of chemistry.
>
> War has lost its efficacy; it can never bring victory again; it can only bring defeat and despair for both conquerors and conquered; it can leave nothing behind but victors in reaction, and vanquished in revolution, and all alike impoverished. This then is the situation which we face—a long concourse of nations wanting peace, knowing as they must know that a real war now would crush them one and all, drive them back through centuries to primitive poverty and emaciation, until our civilization passes out as did civilization of old, knowing all these things, but nevertheless fearful and arming, ever arming, in response to the instinct for security. We know, everybody knows that security by armaments for one country means insecurity for another, and that competitive armaments will end where they have always ended, in competitive war.
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> What is the conclusion? It is the plainest conclusion ever drawn from the plainest facts. There has to be found a substitute for armaments, something else that will bring security not only to one, but to all. The sovereign right of a single people to fight must yield to the sovereign right of all to live. The practically minded man sees that it means the allocation of forces now controlled by governments, those physical forces which make for international destruction, that it means their allocation to abide the judgment of an international congress and their steady reduction to the dimensions of an international police. Let us pray that it does.
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> I plead again the law of necessity—of imperious overwhelming necessity, for a movement toward this goal is the only substitute for the armament system of this day, a system which left alone, may in no distant time send civilization crashing to its doom.

[Mr. Luchkovich.]

I doubt whether there is anything in the English language more powerful in its condemnation of war than this excerpt from the speech of the Right Hon. Arthur Meighen. The remarks which I have just read, coming as they do from a former leader of the party now in power, are perhaps all the more interesting to the house and lend greater force to the resolution which the hon. member for Southeast Grey has this afternoon so eloquently sponsored.

The resolution is a worthy one, deserving the full support of every hon. member. The only criticism I would make of it is not that it goes too far, but rather that it does not go far enough. The resolution as it stands on the order paper would limit the expenditure on the promotion of peace merely to instituting international professorships and scholarships in leading Canadian universities. As I understand the matter, therefore, the young men and women of Canada would not receive the benefit of these peace lectures, or peace propaganda, or whatever you wish to call it, but would have to wait until they matriculated out of high school and entered the university. While I agree that it is better to hear these peace talks even at the advanced age of university entrance than to hear none at all, nevertheless it occurs to me that the best, most effective and proper time to inculcate peace propaganda is when our young men and women are still in the public schools. I believe in the propaganda of peace, but I believe the seeds thereof should be sown in the springtime of youth when the mind is most elastic and receptive. I believe in starting from the bottom up rather than from the top down. That is why I contend that the lessons of peace should commence when children are just beginning to go to school, rather than wait until they are out of public school and high school, and ready to attend the university.

There was a time when it was thought that the only way to get peace was to fight for it, when nations figured that the only way they could be left alone was to make themselves so strong that no one would ever dare to attack them. There were times even in the not too distant past when this opinion

was considered sound common sense, but as an axiom of international life to-day it has serious drawbacks; for it expresses, as pointed out by Mr. Meighen, in the eyes of the present day intense and extreme nationalism, the main justification for militarism. Therefore, to those of this generation who know but too well to what a pass militarism has brought the world, some alternative to a policy of preparedness, of armed peace, some plan inspired and practical, must present itself instead of the present out of date and barborous method of arming for war. I believe the only true alternative is the substitution of the propaganda of peace for the propaganda of war. It includes the consolidation of peace, which consists, on the one hand, in removing as far as possible the causes of war and the preparation of definite means of dealing with situations likely to develop into war, and on the other hand, in the systematic strengthening of international bonds.

I understand that that is the twofold task of the League of Nations, which not only provides the machinery for dealing with the danger of war but, better still, has created a group of institutions the object of which is the strengthening of international friendship and the mutual interdependence of the nations of the world. But there is one force, Mr. Speaker, which it cannot control at will, and on which it must count for the full success of its aims, namely, public opinion, or rather the collective will of each nation to peace, friendship and cooperation with other nations. This end can to some extent be attained by means of the various organs which normally influence public opinion. But the most radical and thorough means of attaining it, the only means that promise deep and lasting results, lie in the education of the younger generation, in the thoughts of peace and the realization of our world citizenship. It is with the latter thought in mind that I refer to the public school as the proper place to start a propaganda of peace. In view of the present curriculum and the various textbooks prescribed I know that it would be a very difficult task for any teacher to do any direct and express teaching on the subject of international peace. But in lieu of a general overhauling and reorientation of our whole educational system, I see no reason why the subject of international peace could not in the meantime be taught in an indirect and incidental manner. There are at least three subjects in conjunction with which it could be taught effectively and efficiently.

Take the subject of history, for instance. In conformity with our modern idea of peace propaganda, a wider horizon than the history of any particular nation would need to be opened up. Broad notions of world history would need to be given so that the history of one's own particular nation could be seen in its true perspective. I do not mean to say that the standpoint should not be national, for our first concern, after all, is with the land of our birth; but it ought not to be narrowly and exclusively national, for nations may come and nations may go, but the international cosmos goes on forever. History shows us that the Greeks came and the Romans came, and faded away; and that may happen with any civilization, and if the races which war with each other in the older countries would only take cognizance of that fact they would realize wherein lie the seeds of future warfare on the other side of the ocean. I have always thought that there has been too much stress laid on war in our history textbooks, rather than on the progress realized in times of peace. Men like Hannibal and Napoleon are glorified in dozens of pages of our histories while men like Fulton, Stephenson, Faraday and Edison are barely mentioned. Not that history should be falsified in the interests of pacifism by eliminating all mention of wars. Wars certainly are facts of history, and all too significant facts, at that; but war when mentioned must be presented in its true colours, in its cruel and sordid details and its ruinous consequences, somewhat after the fashion of that great book which most hon. members have no doubt read, Journey's End, and that other wellknown book, All Quiet on the Western Front. I can still remember the way I was taught history when I was a young lad. We had to remember the date of every battle and the number of men killed in that battle, and if the fatalities were greater on the enemy side, we thought it quite proper and patriotic to enthuse and gloat over that fact. How we did thrill over the rout and destruction of the enemy! In our youthful experience we were too foolish to understand that the destruction of our enemies meant also the destruction of ourselves. In those days it was considered unpatriotic to think otherwise, so imbued were we with the pernicious war propaganda which even now is so insidiously destroying what is not but should be a paradise on earth. That is one of the reasons, Mr. Speaker, why I support the resolution of the hon. member for Southeast Grey. It is a practical resolution. It is no mere pipe dream, as has already been suggested in this house. On the contrary, it is rooted in common sense and in the fundamental needs of our present-day civilization.

Take the subject of geography. The teacher is afforded here an almost equally good opportunity for instruction in sane internationalism. Full advantage should be taken of the new and better methods of teaching the subject, of laying stress on international links at all times, on international communications of all kinds, international commerce and industry, and migration. The growing internationalism of science and sport might also be referred to incidentally. Look at the way the world has been brought closer together by means of railways, steamships, aeroplanes, radio and moving pictures. But facts of this kind will not produce the desired effect unless their significance is brought out. Think of the thrill of the first aeroplane flight across the Atlantic from Europe that was made together by a Britisher and a German. How vastly different and more humane was it than the murderous struggle between the British and German nations that took place in the great world war of 1914. It should also be shown that the different countries of the world are becoming to an ever-increasing extent dependent upon one another, and that all this international life is dislocated by war, in which ordinary men and women suffer in countless numbers.

Finally there is the religious aspect of peace. That is too delicate a subject for a layman like myself to discuss, and I therefore leave it to the more competent care and inspired guidance of the great spiritual leaders of the world.

I know that the hon. member for Southeast Grey will pardon me for digressing from the resolution as it is worded on the order paper, because I feel confident that she will agree with everything I have so far said on this subject. Her resolution calls for a specific expenditure out of the Dominion treasury for a specific purpose, namely, that, "for every one hundred dollars spent on war one dollar should be spent to promote peace by instituting international professorships and scholarships in leading Canadian universities". While that does not include the whole gamut of human relationships from public school to the universities, nevertheless it would ultimately tend to reach our young boys and girls. Be that as it may, I am sure that the main purpose of the mover is to eliminate the propaganda of war and to substitute for it the propaganda of peace. For that reason I am going to support the spirit of the resolution, the discussion of which I hope will be facilitated if it is referred to a committee. I now move an amendment to that end:

That the motion be amended by inserting after the word "house" the following: "the government take into consideration that"; and inserting after the word "peace" the words: "and that such an amount be granted to the provinces for the purpose of"; and by deleting the word "by" in line three; and adding to the motion the words: "and that this motion be referred to the committee on industrial and international relations for consideration and to report to this house."

Mr. BEAUBIEN: Mr. Speaker, will you read the motion as amended, please?

Mr. SPEAKER: I am afraid I cannot very well read the motion as amended. I believe however it would read as follows:

That, in the opinion of this house the government take into consideration that for every one hundred dollars spent on war one dollar should be spent to promote peace by, and that such an amount be granted to the provinces for the purpose of instituting international professorships and scholarships in leading Canadian universities, and that this motion be referred to the committee on industrial and international relations for consideration and report to this house.

Without some redrafting I think the resolution is too involved to be intelligible; I cannot accept it.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, in the first place I wish most heartily to congratulate the mover (Miss Macphail). Often it has been said that our lady colleague represents the women of this country, and this resolution proves the truth of that statement. There is no woman in Canada who would not be favourable to it. It says:

That, in the opinion of this house, for every one hundred dollars spent on war, one dollar should be spent to promote peace by instituting international professorships and scholarships in leading Canadian universities.

At present some money is spent by this country to help make possible the promotion of peace by the League of Nations. Some people may think that the league will provide a utopia. True, its results are not always apparent, but it gives an opportunity to the people of every race, creed and nation to meet together at Geneva to discuss international problems of wide importance. As these people meet together at different intervals, it is possible for them to discuss together matters of common interest.

Some years ago in the New York Times an article was published by Marshal Foch to the effect that the next war would be the most terrible and the most disastrous in the history of the world. Warfare has gone from bad to worse, and science is all the time studying new means of destroying human beings and property. With the innovation of powerful aeroplanes, mighty dirigibles which cross oceans and continents, and bombs more

destructive than any hitherto devised, a city the size of New York, London or Paris might be destroyed within a few hours. Hon. members will recall having read in the papers not so long ago that in Hamburg, Germany, several years after the war, people were killed on the street by gas compounded by scientists to be used in warfare. The world is not settling down. Twelve years after the signature of the Peace Treaty of Versailles there is general unrest. Every day we learn that countries abroad are unsettled, and there are riots everywhere. Monarchs have lost their thrones. In to-night's issue of the Evening Citizen appears the following statement concerning a riot in Spain:

Mob applies torch to Catholic buildings in anti-church outbreak.

This is only one instance of what has happened in Europe, despite the excellent work of the League of Nations and the good will of the leaders of every state.

Mr. LAVERGNE: Leaders of democracy.

Mr. POULIOT: I am a firm believer in democracy; it has done a great deal of good in promoting the welfare of humanity.

Mr. LAVERGNE: Where?

Mr. POULIOT: One cannot always prevent crazy or greedy people from waging riots and wars; therefore everything should be done to promote peaceful relationships among nations.

If the house agrees to the resolution, I suggest that a part of the money be applied to the teaching of Canadian history in Canadian schools. How can we be proud of our country if we have not learned the history of our forefathers? In fact the history of Canada is one of the most interesting histories of any country in the world. The work of the pioneers and its continuance by their successors until Canada has reached its present stage of development should be taught to our children in the primary schools. Sometimes this teaching is not as complete as it should be. My hon. friend from Vegreville (Mr. Luchkovich) suggested that part of the grant should be given to the provinces. That might well be done to encourage the provinces to promote the teaching of the history of Canada in the primary schools.

Mr. NEILL: Have the provinces asked for it?

Mr. POULIOT: If they have not, why not bring the matter up at the next interprovincial conference? It is a matter of the utmost importance.

Mr. LAVERGNE: It is not a very peaceful history.

Mr. POULIOT: But it is a history that records very few riots,—except lately the Quebec riots, which were rather justified. The times were not peaceful when the French settlers had to fight the Indians who were massacring the first missionaries—the first propagandists of civilization in this country. Nor were the times peaceful when they had to fight to preserve Canada to the British crown. But, as my friend knows, French-Canadians stood for the British connection in 1775 and 1812, in spite of the fact that they were invited by Montgomery to join the Americans in their war against Great Britain.

Mr. LAVERGNE: If my memory is good, they had a few fights with the British crown before that.

Mr. POULIOT: Yes; but not afterwards. With the exception of 1837. Certainly Canadians had to fight for their rights. For instance, Lafontaine fought in the legislative chamber for the French language, but he used constitutional means in fighting for and preserving our rights. To-day Canada has become a nation. We are proud of it. This position could not be attained at once on account of the old racial prejudices that existed, but little by little those prejudices have been overcome, Canada has asserted her rights, and to-day she is one of the most-admired nations of the world. In my opinion, Mr. Speaker, while it is impossible to prevent war, any steps that will delay such a catastrophe must be favoured and supported by every right thinking citizen in this country.

Mr. ARMAND LAVERGNE (Montmagny): Mr. Speaker, if I could see any good reason to become a feminist it would be in the debating ability of the hon. member for Southeast Grey (Miss Macphail). She has certainly shown equality in debate of woman with man, although I do not know whether I am paying her a very high compliment in saying that.

Miss MACPHAIL: I am not so sure.

Mr. LAVERGNE: But, as I indicated to my hon. friend from Temiscouata (Mr. Pouliot), I am not such a rabid believer in democracy. There is an old proverb, almost as old as civilization itself, which tells us, "Si vis pacem, para bellum,"—if you want peace, prepare for war. I should like to support the motion if I understood exactly what it meant.

—for every one hundred dollars spent on war one dollar should be spent to promote peace—

Everyone agrees with that. But how can we do it? And how can we come to a balancing of accounts? In my opinion the motion goes back about 170 years for its inspiration; it goes back to Jean Jacques Rousseau, who believed in the inborn goodness of man, that man was born good but that civlization or society had made him bad; which I think is contrary to the doctrine of original sin; for I have been taught that man is born evil and that it is only by redemption that he can become good. As a result of the theories of Jean Jacques Rousseau and Voltaire we had the French revolution. About a year before the king of France was beheaded all the members of the French national assembly were kissing one another in the belief that the revolution had ushered in the era of eternal peace and eternal goodness. Then the poor king, who through weakness or lack of knowledge of human nature, had accepted those theories, was beheaded. For the next fifteen or twenty years Europe was in a state of almost continual war. Then we had that great-great-grandfather of the League of Nations, La Sainte alliance—the Holy Alliance—which was to preserve eternal peace in Europe, and this practically meant world peace. We know what happened. France had to defend herself against three invasions culminating in the siege of Paris by the Prussians in 1870, which was followed by the worst condition of all, the destruction of France by Frenchmen fighting against one another.

My opinion, if it is worth anything, is that the best way to prepare for peace is to build up a strong nation, to get citizens in their youth to believe in their duty to their country—not to humanity as a whole. Serve your country and you will be serving humanity. Give everything you have, your thoughts, your will, your talents, your future, your whole soul to your country, and you will be doing more for the peace of the world than by believing in international doctrines, doctrines which have produced what we see in Russia to-day—starvation, the negation of civilization, of the belief in God, of the belief in everything that humanity has always held sacred. Of course, I may appear to some of my hon. friends as very backward, but two thousand years ago we were told in the Sermon on the Mount: "All things whatsoever ye would that men should do unto you, do ye even so to them." But even if you do believe in this doctrine yourself, it is impossible to get the other party to believe in it too. Suppose the whole of Canada were disarmed and we said: We believe in absolute peace; the peace of all humanity. We believe humanity is good; we are going to throw away all armaments; we are going to do away with all military education. We will do away with police, because we believe the people will stop robbing and stop murdering. As a great Frenchman said, with regard to the abolition of capital punishment, "Que messieurs les assassins commencent," or, "Let the murderers begin." Suppose Canada believed in this principle; could we be sure the other nations of the world would believe in it? What was the result in Belgium in 1914, a country whose neutrality was guaranteed by the great powers of Europe? The neutrality of Belgium was violated by Germany, a country which had signed the treaty of neutrality. Two years later the same people who had denounced the violation of the neutrality of Belgium were violating the neutrality of Greece; I refer to France and England. These are very lofty, idealistic sentiments, but they never will become anything more while human nature remains what it is.

Mr. WOODSWORTH: Might I ask the hon. gentleman what he would do with the League of Nations, which is perhaps one of the most idealistic institutions in the world to-day?

Mr. LAVERGNE: That is a hard question to ask me—what I would do with the League of Nations, which is only a repetition of the Holy Alliance of 1815. I believe the League of Nations is doing its very best, but I sincerely believe the League of Nations cannot stop war. I believe that the day Russia is prepared, as she is preparing now, she will jump on the nations of Europe and America in an attempt to force upon them her theories of utopia and her new civilization, if it may be so called, by means of war.

It is quite impossible to believe that war will ever disappear, after all the years of human history. That is my conviction. I may be wrong; I hope that some day we will have a world—although I am afraid we shall not see it—where humanity will believe in peace and charity, but that cannot be and will not be until the teachings of the Master, who came to this world two thousand years ago, are accepted. Two thousand years have passed; those teachings are not accepted as yet, and I am afraid it will be a very long time before they are accepted.

In conclusion, my theory is this: If you want to build up peace for our country and for the world, build up citizens who believe in their country and in their duty to their country, who believe that their first duty is to give their life to their country. In my opinion

there is no greater movement in this direction and no surer way of accomplishing it than by building up our cadet movement all through Canada. In that way our children will be taught not only high ideals but also discipline. They will be taught to believe in authority; they will be taught that their lives do not belong to them only but to their country. This brings me back to the history of Canada, to which my hon. friend from Temiscouata (Mr. Pouliot) referred. I despise and hate the word French-Canadian.

An hon. MEMBER: What is wrong with it?

Mr. LAVERGNE: We are not French-Canadians; we are Canadians and nothing else. We are Canadians who speak French, but we were Canadians under the French regime and we shall not be hyphenated by anybody in this country. The history of us Canadians of French descent and of French language is not peaceful. Our ancestors were warriors. They believed that they owed to their country, to their forefathers and to their children the only grant which God has given man, which is life. You can preach on any doctrine; can you do away with sorrow in this world? You cannot. As you live you will see your dear ones disappear and you cannot do away with the sorrow which you feel by any social law or legislation. Can you do away with sickness by passing an act of parliament? If you can I will be the first to support the bill. Can you do away with death? You cannot. We should not forget that this life is only a passage, a transition. All sorrows, all misfortunes, mean nothing in the great scheme of things. The Russians teach that religion is only opium for the people, but it is a mighty good opium in that final operation of death. Unless we believe we must fight for our traditions, any social legislation is absolutely useless.

In closing let me say this: I believe that if we want to prepare for peace we should prepare for war. Let us build up a strong nation; let us build up our cadet movement and put in the minds of our young people the thought that we are trying to build up citizens who will believe in discipline, in authority and in something higher than the selfishness of mankind. I remember when I was quite a young man, as a young officer following a course, hearing a lecture by an Australian officer.

Mr. POULIOT: May I ask my hon. friend a question? Is he not a lieutenant-colonel in the army now?

Mr. LAVERGNE: I am, and I am proud of it.

Mr. POULIOT: I do not blame my hon. friend for it; I was simply asking the question.

Mr. LAVERGNE: And while I did not go to the front I did all I could do during the war; I enlisted and it was not my fault that I did not go to the front.

Mr. POULIOT: The hon. gentleman knows I am one of his friends and that I would dislike to offend him.

Mr. LAVERGNE: Yes, I know. But I was about to say that this Australian told us that until they had compulsory service in Australia their young men had no manners. They would be rude; they would do anything. After the introduction of compulsory service the change in the youth of Australia was remarkable. I believe there is no better education for the young man than a military education. He is taught the idea of discipline; he is taught respect and those higher things a citizen owes to his country. He is taught that not only his money but everything he owns, and above all his life and his soul, belong to his country.

Miss AGNES MACPHAIL (Southeast Grey): It will take me only a moment or so to say what I wish to say. I was very much disappointed in the speech of the Minister of Justice (Mr. Guthrie) this afternoon. Does the minister suppose I did not know, and that other members of the house did not know, the different things which have been done by the government of Canada and by other nations to bring about peace in the world? I may tell him that I am as familiar with them as he is. It is because the government does these things with which the people of Canada are not familiar, that I feel the need of further educational facilities, that the young people may get a thorough training in the international relations into which Canada has entered. If, as the Minister of Justice has said, we have taken first place in the world—which I very much doubt—it would be a very good thing to keep that place. And that is all the more reason why we should have some education. The government of last year had a different way of getting out of the difficulty, although, of course, both governments successfully got out. But I must say, in fairness to the late Minister of Justice (Mr. Lapointe), that his methods are nicer. I do not think that the present Minister of Justice is informing the house correctly when he says that the Department of National Defence give their money to the province and

the province distributes it here and there for cadet training. That is not exactly true. I have here an extract from the minutes of the Board of Education, Toronto, of March 5, 1931, in which this statement appears:

That the sum of $200, received from the Department of National Defence as a result of two former pupils of Danforth branch technical school having enlisted in the permanent air force after taking a two years' course at Camp Borden, be appropriated to the credit of the school for orchestra requirements.

I have nothing more to say. There is no reason why I should excite mysef regarding the education of Canadian youth in Canadian universities any more than one other hon. member. I believe, as the four witnesses last year and the three professors who wrote us, made perfectly clear, that there is need of greater facilities.

The Minister of Justice suggested that Canada was looking to new ways of ensuring security and peace. If that is true, then the Dominion government has jurisdiction so far as the method of bringing about that condition is concerned, just as it had jurisdiction in the sphere of armaments. I must say I was not impressed with the hon. gentleman's speech. I did not think he made clear any real objection to the motion except on the ground of its wording, which I admit is poor. But I kept it in its present form because it bears a relation to the wording of the resolution of last year.

I see no reason why the house should not send the resolution to the committee, though I admit, in view of the statement of the leader of the government that they do not approve of it, its reference to the committee will not help very much. We know that government members are in the majority on committees and we know also, in spite of all the talk about democracy, that the government governs. All that the rest of us can do is talk, which I do not propose to do at greater length at the moment.

Mr. GUTHRIE: There is no objection on this side to the matter coming before the committee.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. SPEAKER: Is the house ready for the question?

Hon. HUGH GUTHRIE (Minister of Justice): With the consent of the house, I would move:

That the following words be added to the motion:

"and that the matter be referred to the committee on industrial and international relations to consider and report upon the same."

If that is satisfactory.

Mr. SPEAKER: With the unanimous consent of the house, the resolution as amended will read:

That, in the opinion of this house, for every one hundred dollars spent on war one dollar should be spent to promote peace by instituting international professorships and scholarships in leading Canadian universities and that the matter be referred to the committee on industrial and international relations to consider and report upon the same.

Motion as amended agreed to.

BRITISH NORTH AMERICA ACT

PROPOSAL TO ENABLE CANADA TO AMEND HER OWN CONSTITUTION

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

That, in the opinion of this house, it is desirable that Canada should have the right to amend her own constitution, but that in proceeding to make any amendment, scrupulous care should be taken to safeguard the rights of minorities.

He said: At the recent conference between the Dominions and the provinces re the proposed statute of Westminster we find that the subject matter of this resolution was under discussion. I might say that that conference in itself was without precedent and perhaps created a rather dangerous precedent, although I frankly admit that the results were very satisfactory. The Prime Minister (Mr. Bennett) has promised another conference to consider amendments to the British North America Act, so that it would seem opportune that the house should discuss the whole question.

When I introduced a resolution along this line some seven years ago, I was attacked on two sides. The imperialists, on the one hand, accused me of wanting to cut the painter by which we were bound to the motherland. Their objection has been largely silenced by the Imperial conference itself of 1926, in which we heard such statements as "autonomous communities" and "equal in status and in no way subordinate one to another". On the other hand, at that time the guardians of provincial rights were up in arms. They considered that our British connections were safeguarding minority rights, and that objection is still to the fore although it comes from Ontario rather than from Quebec. Of this, more a little later.

I frankly recognize that any difficulty that confronts us is not at Westminster but here in Canada. The British parliament will undoubtedly meet Canada's views in this regard. We in Canada must come to an agreement. On the other hand, there is not much doubt that the existing situation is an excuse for inaction. So long as we think we have to go overseas to settle the matter, it is very easy for either the Dominion or the provinces to blame their lack of action upon the British North America Act.

It is practical considerations that lead me to introduce this amendment. Social legislation of almost every kind is blocked by the British North America Act. Further than that, we cannot carry out our obligations under the Versailles treaty until we have some clearer understanding of the relative jurisdiction of the Dominion and the provinces. There are a number of questions to be cleared up. First of all, there is the question: what amendments are needed? Then as to procedure—and this is one of the most knotty problems—there is the question: how can these amendments be secured? Again there is the whole question of what the United States people call constitutional limitations, that to which I have referred in the resolution itself when I urge that in proceeding to make any amendment we should see that scrupulous care is taken to safeguard the rights of minorities, a suggestion in which—whatever amendments are made—I believe every hon. member will fully concur.

I propose for a few minutes to give a brief survey of the situation as it exists to-day, also some of the anomalies with which we wrestle. Since confederation there have been before the courts not less than five hundred constitutional cases. Supposing we place the average cost at $5,000 a case, which I take it would be a very moderate estimate, the house can see that millions of dollars are involved in litigation of this kind. Only the lawyers benefit, and I would suggest to my lawyer friends to-night that some of them at least should be sufficiently patriotic to support this resolution and thus place the interests of the country at large ahead of their own pecuniary advantage.

There are questions relative to geographical boundaries. In the old, simple agricultural communities, it was comparatively easy to set up line fences, and when the fathers of confederation were drawing up the British North America Act, that is what was done. They simply said: here are certain things that come within the boundaries of the provinces. But the problem is not quite so easy in the more complicated life of to-day. For example, who owns the air? The old scripture says "The wind bloweth where it listeth," but Premier Taschereau says that Quebec owns the air over Quebec. The question arises: What about flying in the air? The supreme court states that the Dominion does not possess exclusive authority with regard to control of aviation, but that the provinces have some rights. There we begin to get into difficulties. So with radio regulations. That question is now before the Supreme Court of Canada. Then there comes the whole question of water powers. It is easy to stake the land; it is not so easy to stake, as it were, the water. Take the question of the St. Lawrence river, which is certainly a knotty problem. The St. Lawrence river is part of a great system of waterways, extending from the great lakes to the Atlantic; it has not only interprovincial connections, but also international relations. Therefore it is not so easy to say just who should control a great stream like that, or the hydro powers that may be generated on it. Let me remind the house that some years ago, there was some difficulty with regard to the head waters of the rivers that supplied power for Manitoba. To meet the situation certain water powers in Ontario were placed under Dominion control. This was done under that clause in the British North America Act which refers to such works as are declared by the parliament of Canada to be for the general advantage of Canada.

Take another question, the fisheries in British Columbia. It used to be that fisheries clearly came under Dominion control, but now in the processing of fish we find that the canneries have to be erected on the land, and hence it was discovered that the Dominion had not exclusive control and was not in a position to grant certain licenses. Life to-day is much more complicated than it was sixty years ago.

Take other matters that relate to what might be called the boundaries with regard to certain political relations. The supreme court, for example, a few years ago decided that a woman was not a person within the meaning of the British North America Act. The Judicial Committee of the Privy Council has evidently amended our constitution by what someone has termed judicial legislation. The British North America Act is regarded by their lordships as "a living tree capable of growth and expansion within its natural limits." Let me say with regard to that position that in the Canadian Bar review Mr. George F. Henderson, K.C. of Ottawa, has given us a very interesting and incisive comment. He says:

> If, having regard to considerations of political expediency and the welfare of the state, the statute can be construed in accordance with

legal principles, so much the better, but, if not, those principles must yield to "the larger view" which political exigency dictates, the semblance of an observance of legal canons being given to the opinion delivered in order not too greatly to shock those who pin their faith to His Majesty the king in council as the final court of appeal for all countries of the British commonwealth except England, Scotland and Northern Ireland.

There are other matters which have not been quite so satisfactorily settled, and about which we still have a good deal of trouble. I shall briefly enumerate some of them.

Take the question of the troops that were sent down to Nova Scotia in 1925. Who was to pay the bill? That question was before the courts, and I do not know that it has been decided yet.

Then there was the question of soldiers operating cars in New Brunswick without licence—again a question involving Dominion and provincial control.

There is the question of taxation. The provinces, we all know, are restricted to direct taxation, and yet the gasoline tax, which a good many of our provinces have put into operation, comes dangerously near being an indirect tax.

Again, can liquor legally purchased in Quebec be brought into Ontario? Liquor to be purchased legally in Ontario, under the Liquor Control Act, must be bought from the government vendor. Liquor may be legally sold in Quebec, but that same liquor cannot be legally bought in Ontario.

Again, the right of the Dominion to control the manufacture of liquor is still an open question.

Take the question that we had up no later than this afternoon, when my hon. friend from Southeast Grey (Miss Macphail) was urging that a grant should be made to promote peace. The Minister of Justice (Mr. Guthrie) takes the ground that it is quite within the competence of the Dominion government to make war and to foster the cadet movement, even although that means going into our schools; but it is quite outside our powers to do anything that will foster peace. You can see, Mr. Speaker, the difficulties into which this British North America Act is driving us.

Take another realm altogether, that of trade and commerce. In the old days, sixty years ago, trade was very largely local in character, and it was very easy to control it. But now under the British North America Act we have no definite line of demarcation with regard to the incorporation and licensing of companies. Let me give a few illustrations, which will be familiar to legal gentlemen at all events. The John Deere Plow case of 1913 established that a federal charter entitled the company to do business in the province and to resist many forms of provincial control. That was a blow at provincial control. On the other hand, the Bonanza Creek case, in 1915, established that a provincial charter under the British North America Act entitled a company to enter other provinces—a blow at federal control. Later, we had the legality of the British Columbia Produce Marketing Act challenged, and the act partly destroyed. We have had a dispute with regard to the Canada Grain Act. We have had our Old Age Pension Act of 1926 disputed by Quebec, although the question has never been carried to the courts. The British Columbia Minimum Wage Act was challenged. The Combines Investigation Act was challenged, and has recently been sustained. The Live stock and Live Stock Products Act, as far as it relates to grading, is really ultra vires of the Dominion parliament, and there has to be enabling legislation on the part of the provinces. The licensing and control of insurance companies is being protested by the province of Ontario. Some hon. gentlemen who were on the Banking and Commerce Committee a few years ago can remember the representations that were made in that regard. The Manitoba Sale of Shares Act has ben declared invalid. Concerning this Toronto Saturday Night of October 26, 1928, said very bitterly:

> The privy council has decided that the provinces have no control over a rotten company so long as it is for the general advantage of Canada.

Now I come to the questions in which I am more particularly concerned; that is, matters relating to social legislation. Take the Canada Temperance Act; it is not at all clear as to where the jurisdiction lies. The Lord's Day Act has been challenged, and as a matter of fact it is put into operation in some of the provinces in a rather peculiar fashion.

Mr. LAVERGNE: That is settled by the act itself.

Mr. WOODSWORTH: I know, but they were treading on such thin ice that they had to make some very special arrangements, and some of my lawyer friends tell me that it is not very good law when it is done in that fashion.

There is the Industrial Disputes Investigation Act. The privy council in 1925 when it upset the validity of the Industrial Disputes Investigation Act, in discussing the question of Russell vs. the Queen, had this to say:

> It appears to their lordships that it is not now open to them to treat Russell vs. the Queen as having established the general principle that

the mere fact that Dominion legislation is for the general advantage of Canada or is such that it will meet a mere want which is felt throughout the Dominion renders it competent if it cannot be brought within the heads enumerated specifically in section 91.

I am not very familiar with these various decisions, but it strikes me that their lordships found it very hard to get over the Canada Temperance Act, which had been held to be within the power of the Dominion parliament. The judges took the view, and to me this is positively funny, that intemperance at that time was so great as to be, in their words a—

national calamity. . . . An epidemic of pestilence might conceivably be regarded as analogous. It is plain from the decision of the board of commerce case that the evil of profiteering could not have been so invoked; for provincial powers, if exercised, were adequate to it.

Now I come to the even more important question, and that is of our responsibility under the Versailles treaty and the draft conventions subsequent thereto. Take the question of the minimum wage. We had that question before our select standing committee on industrial and international relations, and in the report of 1926 I read this:

It was stated by the Deputy Minister of Justice that according to the British North America Act legislative jurisdiction in regard to minimum wages is vested primarily in the provincial legislatures.

He also quoted section 132 of the British North America Act as follows:

The parliament of Canada shall have all powers necessary or proper for performing the obligations of Canada or any provinces thereof as part of the British Empire, towards foreign countries, arising out of any treaty between the empire and such foreign countries.

Commenting on this he said:

There can be no doubt that where Canada has entered into an obligation by treaty—and in that connection I mean an association within the empire, of course—within the meaning of section 132 which I have just read—I do not think there is any doubt but that parliament has power to legislate for the purpose of carrying into effect the provision of the treaty.

The report concludes with these very significant words:

This opinion goes to show that the British North America Act by no means contemplates industrial problems of the kind and scope to which Canadians to-day must adjust themselves.

That seems to be a very fair statement of the situation in which we find ourselves. Sixty years ago life was comparatively simple. At that time there was no labour movement and very little industrial development. No one had foreseen the great European war; no one knew that there would be an international labour office established and that we would seek the world over to standardize labour. No one realized any of these things. And so although the British North America Act may have admirably fitted conditions as they were at the time it was enacted, it falls far short of meeting the needs with which we are faced to-day. I would like once more to read that section of the report:

This opinion goes to show that the British North America Act by no means contemplates industrial problems of the kind and scope to which Canadians to-day must adjust themselves.

I go on to note that although apparently it is impossible for us to pass a Minimum Wage Act in the Dominion, the Minimum Wage Act of British Columbia, a piece of provincial legislation, was declared ultra vires.

I wish now to go to the question of unemployment insurance, which during the last two or three sessions has been so much before the house. As you will remember, Mr. Speaker, a committee of this house was appointed to deal with that matter. The industrial and international relations committee report of 1928 referred to a report from the Minister of Justice, 1921, P.C. 2722:

In this view unemployment insurance has a pronounced federal aspect and on the whole the minister thinks the establishment of a system of unemployment insurance is competent to the Dominion in the exercise of its residuary legislative power with relation to the peace, order and good government of Canada.

Yet that committee reported that it was impossible for the Dominion to do anything about unemployment insurance. The other day the Prime Minister from his seat promised this house and the country that his government would enact a measure of unemployment insurance. At least that was the meaning which a good many hon. members took from his words; that was the meaning which the press spread abroad throughout the country. I understand that in some quarters there may be question about that matter, but it does seem to me that the Prime Minister ought not to allow so important a statement to be ambiguous. Hon. members should know very clearly what he meant. I would point out, however, that if we are to accept the report of the committee of this house appointed a year or two ago it is impossible for the Prime Minister to carry out his promise. What does the report say? I quote:

That the evidence of the Justice department makes it clear that the responsibility for such legislation rests on the provincial authorities, it being within their jurisdiction under the provisions of the British North America Act, but that it would be within the power of par-

liament to contribute by grant to such provinces as adopted such legislation following the precedent set in the matter of technical education, highway construction, and, more recently, the Old Age Pensions Act.

Then, there is the question of the eight hour day. According to a judgment of the Supreme Court of Canada:

> The subject matter is generally within the competence of the legislatures of the provinces, but the authority vested in these legislatures does not enable them to give force of law to provisions such as those contained in the draft convention in relation to servants of the Dominion government or to legislate for those parts of Canada which are not within the boundaries of a province.

I think in view of the very hurried survey I have given of the actual situation which confronts Canada to-day that the ordinary man at least can realize the need for a change and for some qualifying amendments.

Two years ago I was invited to present this subject before the Canadian Club of Montreal. I accepted the invitation with some trepidation, because I thought I might have difficulty in persuading the people of Montreal in the province of Quebec to accept my proposal for changes in the British North America Act. To my delight, however, I found that a large number of them were tremendously interested in the question, and from the practical standpoint they were convinced of the need of bringing about these changes. They did not seem to see all the difficulties which some legal gentlemen in this house seem constantly to find.

Conditions are not static. Hon. members will recall that Alice in Wonderland—or was it the Queen—said:

> You must run very fast if you would keep where you are.

I believe that to be absolutely true. Conditions are sweeping along very rapidly and we must keep advancing if we are to keep relatively in the same place, to say nothing of making advances. Acts must be changed in the letter if we would keep the spirit.

Further than that may I suggest if our forefathers had brains enough to devise a constitution to meet the needs of their day we should have brains enough to revise it to meet the needs of our day. Some of us revere the British North America Act as the laws of the Medes and Persians that cannot change. Let me urge: If we are not impotent, let us be the fathers of something. The fathers of confederation differed from the men about them in that they were willing to take a chance on a change. A precedent is merely the method by which someone makes an escape from an impossible situation. It is time we set a few precedents in this house.

I have not time to discuss the legislation of other dominions, but I would simply remark they have the right to amend their constitutions; why has not Canada a similar right? Either we are a nation or we are not a nation. If we are a nation we should have the right to change our constitution. We hear a great deal about provincial rights. I suggest to the house that the fear of the minorities is not healthy. Their belief in the help that can come from Great Britain is entirely illusory, and I think the hon. member for Labelle (Mr. Bourassa) who unfortunately is not here tonight has come to accept that fact. I read from the proceedings of the Imperial conference the following statement:

> Every self governing member of the empire is now master of its own destiny.

We should accept the position to which we have now attained. We are told that the provinces should be consulted. Should they all agree before action is taken? That of course is another question. At the Imperial conference it was decided in regard to the Westminster Act that the ratification of the proposed act would be in the hands of the British government by August 1, 1931. The report of the conference of 1930 declared:

> To this end it seemed desirable to place on record the view that the sections of the statute relating to the Colonial Laws Validity Act should be so drafted as not to extend to Canada unless the statute was enacted in response to such requests as are appropriate to an amendment of the British North America Act.

The conference did not explain what it meant by the phrase, "as are appropriate to an amendment." The Prime Minister was reported to have declared that the approval of the nine Canadian provinces would be necessary to ratification. The Montreal Gazette observed that consulting the provinces did not necessarily imply that their consent was essential. Up to this time the Prime Minister has been entirely and perhaps discreetly silent on this point. Apparently he yielded to the influence of Mr. Ferguson, who stated explicitly in the concluding paragraph of his memorandum issued just before the conference:

> It is therefore earnestly represented that no restatement of the procedure for amending the constitution of Canada can be accepted by the province of Ontario that does not fully and frankly acknowledge the right of all the provinces to be consulted and to become parties to the decisions arrived at.

I would ask hon. members to note the words, "right of all the provinces". Here we come to the treaty or compact theory of

confederation, and I suggest that since this is purely a legal matter it must be met more or less by legal argument. Let me ask, what provinces gave consent? There were at that time only three provinces, Nova Scotia, New Brunswick and Canada, because we were still operating under the Act of Union of 1840. It is very doubtful if Quebec or Ontario could be said to have given consent, for they were then part of the province of Canada.

Further than that, what do we mean by the provinces? Do we mean the electorates? In New Brunswick the electorate were in favour of the principle of confederation, but they never pronounced on the London resolutions or the British North America Act. In Nova Scotia there was no chance for them to pronounce on anything before the British North America Act was passed; then they were opposed to it.

Do you mean the legislatures? Canada approved the Quebec resolutions but prorogued before the appointment of delegates to the London conference, and therefore could not approve the British North America Act before it was passed. New Brunswick authorized the appointment of delegates to the London conference but prorogued before the conference, and met again only after the British North America Act was passed. Nova Scotia authorized the appointment of delegates to the London conference and was the only one approving the reference after the British North America Act was passed. Prince Edward Island and British Columbia assented to the terms of union. There were no legislatures, of course, in Manitoba, Saskatchewan or Alberta until they were created by the Dominion parliament.

Did the governments consent? These did consent, except, of course, Manitoba, Saskatchewan and Alberta.

Then we come to the other question that is more important: What is the pact to which reference is made? Was it the Quebec resolutions? These were approved by the legislature of Canada only, and by no electorate. Was it the London resolutions? These were not approved by any of the legislatures until after the British North America Act was passed. In seven important matters the British North America Act differed from the Quebec resolutions. The British North America Act was not thus approved. The situation is well summarized by Mr. John S. Ewart:

> A statute arranged not in Canada but in England by delegates from Canada who, although bound by the Quebec resolutions, departed widely from them; by delegates from Nova Scotia who were known not to represent Nova Scotia's wishes; and the proceedings purposely kept secret from the people who might by "reverberation" of it be "stirred to its depths" in opposition, can hardly be regarded as a contract.

And what procedure has actually been followed in obtaining these changes in the pact? I might say in passing that the reports of the debates are very illuminating. There is no support whatever for the contentions of the advocates of provincial rights, and the fathers of confederation who participated in these debates supported the changes by dominion action. Take the changes brought about by the Imperial parliament. In 1871 power was given to the Dominion parliament to create provinces. The act was passed on an address of both houses of the Dominion parliament; the provinces were not consulted. In 1875 an act regarding the privileges of parliament was passed on the request of the Dominion cabinet only. In 1886 plenary power was granted to the Dominion parliament to provide for the representation of territories in both houses. This was passed on an address of the two houses. In 1895 power was granted to the Dominion parliament to provide for a deputy speaker for the Senate. This was passed on an address by the Dominion parliament. In 1907 the change in regard to provincial subsidies was passed on an address of the two houses. Let me point out that the provinces were consulted for the first time on this occasion. British Columbia protested and secured only a slight verbal modification. In 1915 a change was made with regard to additional senators from the west. This act also was passed on an address of the two houses, but the provinces were not consulted. In 1916 an imperial act dealing with the prolongation of the life of parliament was passed on a joint address of the two houses only. Last year the legislation for the return of the natural resources to the western provinces, as every hon. member will recall, was passed on the joint address of both houses, and only the western provinces were consulted. We must come to this conclusion, that in these eight acts the provinces were consulted only once, in 1907, and then did not give unanimous consent.

Now take the changes made by the Canadian parliament itself. At least nine acts changing the financial basis of confederation were passed, and on these the provinces were never consulted.

I should like to point out that the basis of confederation has changed a great deal since

1867. Judicial decisions have fundamentally changed the balance of legislative power, and for this I suppose, the late Lord Haldane was very largely responsible. There have been other developments which I can only enumerate; development of Canada's diplomatic service; appointment of the Governor General on the sole advice of the Dominion cabinet; separate negotiation and signature of treaties; membership in the League of Nations and on its council. The provinces were not consulted in any of these changes—changes which were much more important than many of the little things about which we make so much fuss.

Let me point out the effects of the theory that unanimous consent is necessary. Take the situation of the three western provinces. Is their consent needed? Then that is giving an altogether fictitious character to these provinces, and it is as if a child were supposed to ratify a contract which had been made long before he was born. Is the consent of these western provinces not needed? Then I, as representing one of these provinces, would be the first to protest, because we in the west have as much right, at the present day, as any of the eastern provinces to be consulted.

If the unanimous consent of all the provinces is required there would be an inevitable tendency towards constitutional rigidity. This point I have not time to develop, nor have I the time to speak of the danger of the minority being given power to override the majority. We are here approaching the fundamental question of sovereignty. Mr. R. K. Finlayson, writing in the Free Press of December 8, 1928, gave this warning:

> It required the Civil war to prove to the individual states of America that it is not the part of individual states to challenge the authority of the union by a sovereignty written into a piece of paper.

The trouble is that we think altogether too much in legal terms. The British North America Act is not altogether a contract. May I suggest that it more nearly resembles what marriage is according to the Roman Catholic idea as I understand it; it is much nearer to being something of a sacrament. The union has gone on for years, children are involved, and the parties must learn to rub along somehow.

The former Minister of Justice, at the Dominion-provincial conference of 1927, spoke of one procedure that might be followed in amending the British North America Act. He proposed that there should be different classes of questions dealt with in different ways. He said:

> In order that adequate safeguards should be provided it was proposed that in the event of ordinary amendments being contemplated the provincial legislatures should be consulted, and a majority consent of the provinces obtained, while in the event of vital and fundamental amendments being sought involving such questions as provincial rights, the rights of minorities, or rights generally affecting race, language and creed, unanimous consent of the provinces should be obtained.
>
> . . . . In view of the present usage of automatic acceptance of proposals made and of the practice in all the other dominions, the minister contended that it would be better if in the future amendments to the British North America Act should be made by legislation of the Dominion parliament, subject to the conditions set forth. The questions on which unanimity of the provinces should be required might be specified under sections 93 and 133 and section 92, subsections 12, 13 and 14 of the British North America Act.

These sections refer to education, language, property and civil rights and administration of justice. I should like to suggest an alternative procedure. The Commonwealth of Australia has its constitutional act containing eight general clauses. Then follows the constitution, and so the rights of minorities might be recognized in our contemplated constitutional act. That is, there would be what the Americans call certain constitutional limitations. These would be clearly set forth in the preamble, and then we would be in a position to modify as long as we did not infringe upon these fundamental rights, which would be those now recognized under the British North America Act.

I take it that what we need before long is a constitutional conference. The Prime Minister has already promised that, but as I said, I am not at all sure that we can concede that all the provinces should be satisfied. As a practical measure I suppose it would be a good thing to call all the provinces into consultation, but certainly whatever the provinces may have to put forward, it does seem to me that the federal parliament should know what amendments it wants from its standpoint, and that means careful study and discussion.

I should like to close by urging again, as I did in the beginning, the pressing need for clarifying amendments. I urge that we should have the right to amend, recognizing that after all any trouble which exists is here in Canada, but that as long as we have to go overseas to seek amendments it means that it is going to be very easy to carry on as we have been carrying on and football important problems backward and forward between the Dominion and the provinces.

In the preparation of this matter I should acknowledge my debt to John S. Ewart, John W. Dafoe, Norman McL. Rogers, F. R. Scott, R. K. Finlayson, A. Grant Dexter, Brooke

Claxton, Eugene Forsey, and others, and to urge that now, with the Canadian League, Canadian clubs and many other similar organizations, and different newspapers taking up and discussing this question, the time is ripe for a full consideration of our constitutional problem by this parliament.

Hon. HUGH GUTHRIE (Minister of Justice): I should like to say just a few words in regard to the very important matter which has been placed before the house by the hon. member for Winnipeg North Centre (Mr. Woodsworth). He has opened the discussion of a very broad and very involved problem, and I congratulate him upon the deep study he has given to the matter and the clear and pointed method in which he has elaborated his case before the house.

I think the house will agree with me, however, that the problem is one which is fraught with many very serious and very grave difficulties. This question of the constitution in Canada is now sixty-three years of age. We have progressed for sixty-three years under our present constitution, and on the whole I think the house will agree that our constitution has worked well. It is true that during the course of those sixty-three years some thirty-one amendments to our constitutional act have been sought from the imperial parliament, and I believe I am correct in saying that upon only one occasion was the advice of the provinces sought in regard to any of the proposed amendments. That occasion was with regard to the question of increased subsidies for the various provinces, but when the provinces were actually consulted on the question their opinions seem to have been disregarded. An amendment was made to our act not in accordance with the views expressed by the provinces at that time.

However, I agree that the time has come when we should seriously consider this whole question of amendments to the Canadian constitution. Last April a Dominion-provincial conference was held in the city of Ottawa, at which all the provinces were represented. The conference was called for the purpose of considering a single proposal set out in the invitation to the various provinces, namely the draft statute of Westminster. The invitation was confined to a discussion of that single question, but notwithstanding the precise language of the invitation, several representatives of the various provinces did have the idea that the general subject of amendments to the Canadian constitution was to be discussed and considered on that occasion. There is no doubt that in many of the provinces there is a fairly active movement for some better understanding as between the federal and provincial authorities, and I believe the time is near at hand when the whole question will be fully considered by representatives of this parliament and of the various legislatures, in the hope that some common ground may be found.

I think one cannot criticize the constitution of Canada, as it is often criticized, without having regard to the manner and method in which it was originally adopted. There is a little history in regard to the matter which is always worth remembering. As far back as the year 1864, or perhaps 1865, the question of the confederation of the British provinces in North America became acute, and the best brains of the Canada of those days and of the other provinces which now constitute Canada, as they existed then, were enlisted in solving the problem which then arose. In no British dominion was there in existence at that time a confederation similar to what was subsequently adopted for Canada, but there is no doubt that there was a model which was very largely made use of by the fathers of confederation in this country. That model was to be found in the federal system which then existed on the southern side of the international boundary line. Federal system as it obtained at that time in the United States, however, was said to be the cause of great difficulty; it was said to be the active cause of the civil war, which had been waged in that country between 1861 and 1865. Our forefathers had that example before them and they determined to avoid, as far as possible, the difficulties which beset the United States system. Their idea was to adopt a federal system with a strong federal government, whereas the theory of the United States system was strong state government with less federal authority. The framers of the Canadian constitution reversed the situation as it existed in the United States, and, in the apportionment of powers and jurisdiction as between federal and provincial authority, you will note that separate and distinct powers are granted to the provinces. Under sections 92 and 93 these powers are enumerated and the provinces are plainly told: these are your legislative powers. And in respect of these powers the legislatures of this country are supreme. Their powers are plenary. They are just as supreme within their own legislative jurisdiction as we in this parliament are in regard to our powers. But the remainder of legislative power of every kind was placed under the jurisdiction of the federal parliament. It is true that certain specific powers are placed in section 91 as appertaining to the Dominion of Canada. But the general residuum rests with this parlia-

ment. In the United States the system was the reverse: all the residuum there rested with the state authorities.

Now, in considering our constitution it is well to keep that distinction always in mind. The object, the conclusion, the determination of the fathers of confederation was to form a strong central government and to give certain designated rights to the various provinces of this Dominion. And on that theory the constitution was built up. Whether or not a treaty or an agreement was reached by the representatives of the various sections of Canada which were represented at the pre-confederation conference, whether an agreement or treaty was actually reached, I know not. But something in the nature of an agreement was reached, and as a result thereof the British North America Act was drafted.

I am not inclined to view the pre-confederation arrangement as a strict or binding agreement. I am rather inclined to think that the fathers of confederation determined to form a new political entity, that all parties were willing to cast in their lot with that new political entity, in which each province or section of this country should have representation, and to agree that only such powers as were specifically given to the province should remain there. And therefore I have always contended that for the purpose of Dominion legislation all the provinces of Canada are represented in this parliament to-day. That, at all events, is my view of the system under which this country is governed.

When the conclusion was reached and the matter submitted to the imperial parliament, it was submitted as a form of agreement which had been accepted by all parties to constitute a new political entity. And when the act was passed that new political entity had legal force. We were proclaimed a Dominion on the 1st of July 1867, How came the power of amendment to the constitution to be omitted from the British North America Act in respect of federal powers? I submit, Mr. Speaker, it was not by accident that that omission occurred; it was clearly by design: because care was taken in the first subsection of section 92 of the act to provide that each province should have the right to amend its own constitution as it might see fit. But in regard to the question of amendments with respect to federal rights, the act is absolutely silent. I contend, therefore, that the omission was by design. It was considered that there were certain rights, certain privileges provided for in that act which should be guaranteed to the Dominion of Canada; and the guarantor in that respect was the imperial parliament which passed the British North America Act.

The question now is: Has the time come for formulating some plan whereby our act may be amended by this parliament? Certain it is that there are many provisions in the British North America Act which appertain solely and exclusively to this parliament, and I, for one, can see no reason why this parliament should not of its own action make provision for amendments to these various sections as it should see fit. For instance, there are certain sections appertaining to the election of a Speaker of this House of Commons; there are certain sections appertaining to the constitution of a quorum in this house; surely, Mr. Speaker, there is power in this house to make amendments in respect of such matters without consulting the provinces.

My contention has always been that in all matters appertaining to the legislative jurisdiction of the parliament of Canada the parliament of Canada has the right, and should have the right expressed, to make such amendments to the constitution as it shall see fit. But, on the other hand, the rights of the provinces of the country are just as plenary, just as high as the rights of this parliament. Can this parliament, therefore, by amendment or alteration of any kind, interfere with the rights which are specially set apart as matters of provincial jurisdiction and provincial concern, without the consent of the various provinces of Canada? Many of the questions which have been brought to the attention of the house to-night by the hon. member for Winnipeg North Centre are questions upon which the provinces of Canada maintain that they have exclusive jurisdiction. Can we then, without their consent, amend or alter the constitutional act of this country in respect of such questions? I submit that we cannot. In respect of any matters arising under section 92 or section 93 of the British North America Act, this parliament cannot, without the consent of the various provincial legislatures, amend the British North America Act in any respect. And how are we going to obtain that consent—because it is in regard to these very questions that the difficulty from day to day arises as between provincial and Dominion jurisdiction. If this parliament, for instance, were to seek an amendment to our constitutional act in regard to municipal institutions—I am putting some pointed cases—to take from the provinces legislative jurisdiction in respect of such institutions, would anyone say for a moment that we had the right to make such amend-

ment without the positive assent of the provinces? Suppose, again, we were to propose, by an amendment in this parliament, to take the administration of our criminal law from the various provinces of Canada—because the administration of law is specifically given to the provinces by section 92 of the act—do you think that this parliament would be justified in making an amendment of that kind without the consent of the provinces? Or suppose we were to seek to interfere in any way with the question of property and civil rights, which concerns many of the questions which my hon. friend from Winnipeg North Centre had in his mind: could it be fairly said that there is power in this parliament to change the legislative jurisdiction in respect of property and civil rights without the positive assent of the provinces? And I am afraid, Mr. Speaker, it is in regard to these very matters that we shall never get the consent of the provinces, because the provinces value very highly the jurisdiction to legislate in respect of these matters, which jurisdiction has been conferred upon them by the British North America Act.

I mention these matters merely to point out the serious difficulties, the practical difficulties that are ahead of us when we discuss the question of amendments to the British North America Act.

Let me put another case. We understand what the representation in this house consists of; we know what each province is entitled to have in this House of Commons and also in the upper chamber. We know that anomalies exist in that respect and that one small province would appear to be entirely over-represented, having regard to the representation of some of the larger provinces. But could anyone say for a moment that parliament, of its own free will, would be entitled to change the representation of the various sections of Canada either in this house or in the Senate? I submit we would not. That goes to the very root of the whole question. A question of that kind is fundamental. It was upon those figures that we agreed and for sixty years we have carried on. I submit no power would be given to us to change the representation of the various provinces as they exist in Canada to-day, without the consent of the provinces interested.

Mr. GARLAND (Bow River): Is it not true that that very thing was done and the entire balance of representation upset at the time British Columbia entered confederation?

Mr. GUTHRIE: That is not my view of the matter. I know there have been alterations but they have always been tacitly agreed to. I am discussing the question where some province does not agree. What kind of consent must one require to make an amendment such as I have suggested? Is it only of the single province concerned? Is it of a majority of the nine provinces which make up confederation? Or is it the complete, unanimous assent of the whole nine provinces that is required before any alteration can be made? We know the provincial legislatures esteem very highly the legislative rights which they exercise. We know they consider that their powers are just as plenary as are the powers of this parliament, and I am inclined to think they will resent any suggestion on the part of this parliament in any way to limit or diminish their powers. During the recent conference which took place in April I had an informal discussion and I know many of the provinces want to change the sections of the act dealing with the question of taxation. I know some of the provinces want to change those sections of the act dealing with the incorporation of companies, and so on. But they do not desire to give way or limit in any way their own powers. What they desire to do is rather to encroach upon the powers which we claim belong to the federal government.

Mr. STEWART (Edmonton): They had them first.

Mr. GUTHRIE: They had certain rights, and we likewise had certain rights. There is a cleavage in respect to these matters.

Another serious question that is bound to arise and in regard to which we may in the future have to ask for some change in our constitution, is that of appeals to the Judicial Committee of the Privy Council. As to that question opinion seems to be divided. Experience in Canada shows that many of the appeals that go to the privy council do not go directly from the Supreme Court of Canada, but rather from the courts of the various provinces. We in this country had a rather rude awakening in 1926 when the Judicial Committee of the Privy Council handed down a judgment in a case that is rather well known in Canada, that of Nadan and the King, which decided that section 1025 of the Criminal Code of Canada was ultra vires. By section 1025 it had been provided in this country that there should be no appeals in certain cases to the Judicial Committee of the Privy Council, but in the Nadan case, the appeal went directly from the courts of Alberta to the privy council. They did not ask our leave to appeal; they went

there as of right. The privy council in its judgment held that they had a right to appeal to that August body for justice, and at the same time held that our section 1025 of the criminal code, which forbade them that right, was beyond the powers of the parliament of Canada. There possibly will be some conflict in regard to the views of the various provinces in respect to those appeals. Should we ask that this parliament have the right to amend the constitution to provide that there shall be no appeals to the privy council from the Dominion of Canada, or on the other hand should we ask that parliament have an amendment enacted to provide that in all cases there shall be appeals to the privy council?

Mr. LAPOINTE: Does my hon. friend not think that when the Colonial Laws Validity Act is repealed and our parliament will have the right of extraterritoriality for its legislation, then our section 1025 of the criminal code will become valid?

Mr. GUTHRIE: It may be revived in that way, and I think I am safe in saying that by the first of December next the Colonial Laws Validity Act will probably be repealed so far as the Dominion of Canada is concerned. It is under that Colonial Laws Validity Act that the difficulty in regard to these appeals has largely arisen. In all these questions there is in regard to the Judicial Committee of the Privy Council a bit of history that it is perhaps worth while remembering. There was a time some seventy or eighty years ago when there was no Colonial Laws Validity Act in existence, but the common law of England was in existence and the common law of England provided that if any colony made a law that was repugnant to the law of England, the law of that colony should be void in so far as it was repugnant to the law of England. In Australia, or in one of the states of Australia, one of the judges gave such a broad interpretation of the common law doctrine, that the people were almost in arms. Practically all the important laws of Australia or of that colony in Australia were being set aside by this judge on the ground that their laws were repugnant to the laws of England. The Colonial Laws Validity Act was passed in the first instance not as a restrictive measure at all, but as an enabling measure. It was passed for the purpose of letting the people in South Australia and, I think, in South Africa know they had rights, and so long as they confined their laws within certain limits, they should not be declared illegal. But subsequently in its actual operation it was found that it hampered many of the dominions, including the Dominion of Canada, and as a result of the conferences which were held in 1921, 1926, 1927, and the recent one, we have at last reached the point where there will be submitted to this parliament a proposal which, if ratified, will be sent forward to the imperial parliament and in December next a statute known as the statute of Westminster will be passed, which will obviate the difficulty in the future by repealing the Colonial Laws Validity Act so far as the Dominion of Canada is concerned.

But this is only one matter in regard to which our difficulties arise. I see practical difficulties—they crop up almost every day in this country—as between provincial and federal jurisdiction. They are difficulties which are not insurmountable. We have had many of them in the past. We have overcome them in some way. It may be there have been five hundred constitutional cases decided by the courts in the last sixty years, but we have managed to muddle through and we all think our sixty-three years' experience has, on the whole, been a most satisfactory one. But the time is coming, perhaps the time is at hand, when some very critical questions are arising, and perhaps the most critical is in regard to the question of provincial and federal taxation. I agree with the suggestion that in the near future a conference should be summoned for the express purpose of considering some modus operandi upon which we can proceed to secure the right to amend the constitution of the Dominion of Canada. I do not think the language of the motion is sufficient at all. The hon. member for Winnipeg North Centre has included a clause to the effect that he would preserve the rights of minorities by some kind of security or guarantee. Supposing he did; supposing the rights of all minorities were just as fully secured, assured and guaranteed as they are to-day under the British North America Act. That is not the difficulty that I see. He has still to elucidate some plan whereby he can from a basis of agreement in regard to matters which are provincial to-day, and which I think should be federal, and perhaps in regard to some matters which are federal to-day, and which perhaps might be better attended to by the provinces. In this proposal there should be a guarantee of provincial autonomy, because I for one would not consent to lay hands upon any of those subjects in regard to which the provinces are expressly charged with legislative authority. I would not be one to lay hands upon any provincial rights in respect of those questions which arise under sections 91 and 92 of the British North America Act without the express consent of the provinces con-

cerned. Those are the difficulties, and only some of the difficulties, which must be overcome, but I think that all these difficulties may in the end be satisfactorily arranged. I am by no means hopeless of the situation. I am entirely hopeful, and I think it would be well for this parliament if not at this session, at some subsequent session, to appoint a committee specially charged with the consideration of this question. We must prepare our case here before we call a conference, and it is a case that will require a great deal of preparation.

I do not accept in full the views of some of the provinces, such as the province of Ontario, as expressed last autumn before the Imperial conference which met at London. With some of those views I am in harmony, but with respect to many of them I think the province is carrying its case rather too far. But we cannot hold a conference without preparation. We must know in the first instance what we are prepared to agree on ourselves. Having reached that point I shall heartily favour the summoning of a conference of the provinces with the Dominion authorities to see what plan can be worked out so that in the future this parliament may be able to make the necessary amendments to our constitution.

Hon. ERNEST LAPOINTE (Quebec East): This is a very important matter, Mr. Speaker, and it is of special interest at the present time owing to developments that have taken place recently, and in view of the proposed conference to be held at some future date between the provinces and the Dominion to deliberate on this question. It is imperative, therefore, that all the students of our constitutional system, indeed, that all the citizens of Canada, should give consideration to this very important problem, and I am rather grateful to the hon. member for Winnipeg North Centre (Mr. Woodsworth) for bringing forward this resolution were it only that it direct the attention of the people of Canada to the matter.

First I must say that I agree entirely with the Minister of Justice (Mr. Guthrie) that the provinces are also interested in this matter, and that a change in the mode of amending our constitution is a fundamental one as to which the provinces have a right to be consulted, and on which they have a right to express their opinion. The British North America Act—my hon. friend the Minister of Justice has related the historical events that preceded it—was a compromise. It was an arrangement which was effected by Upper and Lower Canada more particularly, but in which New Brunswick and Nova Scotia also joined. It was to put an end to a situation which had brought the country to the verge of civil strife. The provinces which existed at that time were British colonies, self-governing colonies, and they agreed to relinquish some of their powers and to entrust them to a central authority. They did that subject to certain conditions, some more or less important, others essential; and without those conditions being agreed to confederation could not have taken place. The provinces kept for themselves jurisdiction and power in certain local matters, in civil matters, home rule in matters which more intimately concerned themselves, and they gave to the central government jurisdiction in all matters which affected the people generally in all the provinces.

The British North America Act, as I have already had occasion to note, is not only the charter of the Dominion of Canada; it is also the charter of the provinces. Their powers and their jurisdiction are fixed and determined by that act. The powers and the jurisdiction of the Dominion of Canada are also fixed and determined by that act. It is in many cases a complicated and delicate matter to determine where the jurisdiction of the Dominion ends and where that of the provinces begins. The problem has given rise to many difficulties and to much litigation. I must say to the hon. member for Winnipeg North Centre in that connection that when the power to amend our constitution is given to Canada, with the consent and the cooperation of the provinces, I believe he is wrong in believing that litigation over the constitution will automatically come to an end. The constitutional act, whether it is the work of the parliament of Canada in conjunction with the provinces, or whether it is an imperial act, will always give rise to difficulties, and the courts will have to pronounce upon them.

Mr. WOODSWORTH: I think the coming conference ought to exclude all lawyers.

Mr. LAPOINTE: I do not think my hon. friend need express too much sympathy for the lawyers in connection with the change he is advocating.

Under the conditions as they are to-day, we have the right to amend our constitution. As a matter of fact, it has been amended in many instances. I think my hon. friend said that it had been amended thirty-four times since confederation. But those amendments have to be made through the statute enacted by the imperial parliament. In that matter the imperial parliament is not really a dominating power; it acts as a trustee and as a guarantor, and merely gives effect to the will of the Canadian people. The present system is due to conditions of our social life in Canada as they existed at the time of

confederation. Times have changed, however, and to-day the Dominion of Canada is not the colony it was in 1867. I am in accord with the principle that Canada and the Canadian people should have the right when they see fit to amend their own constitution, and when the provinces, which also are parties to the agreement, agree that a change should be made. At the present time the system of amending the constitution is rather vague, and not altogether consistent in every respect. The only suggestion is, as the Minister of Justice has mentioned: Have the provinces been consulted? The constitution has been changed many times without the consent of the provinces being sought. It was changed in 1907 in the matter of provincial subsidies, and at that time the province of British Columbia did not agree to the change. You will recall, Mr. Speaker, that Sir Richard McBride proceeded to London and was heard before a committee of the imperial parliament. There he succeeded in having a certain word, or two words, added to the act, to the effect that the mode of payment that had been agreed upon would not be final, as had been provided in the act passed by this parliament.

Mr. GARLAND (Bow River): I think the hon. member means that words were taken out rather than put in.

Mr. LAPOINTE: Yes, I agree with my hon. friend. The word "final", which had been put in by this parliament, was taken out, so that Sir Richard could have his case reopened in this country when he saw fit.

Mr. CAHAN: That alternative was open to him in any case.

Mr. LAPOINTE: The alternative was open to him in any case, because parliament has always the right to change its own act.

I think that the amendments to the constitution could be divided into two classes: first those which would affect the provinces, which would add powers to the federal parliament and in that way affect provincial rights. In such cases surely the British parliament, even under the situation as it exists to-day, would not agree to pass a law to effect the change. Then the other class would be amendments which would give broader effect to the federal power within its own jurisdiction. I agree that the provinces under the constitution as it is need not be consulted, and that was the position taken by various prime ministers on other occasions.

Now, Mr. Speaker, I have said that the system to amend the constitution is vague. We really do not know what are the amendments in respect to which the assent of the provinces should be first received and those in respect to which such consent is not necessary. However, although the imperial parliament acts only as a trustee, it nevertheless, as I said, constitutes legal subordination on our part to have to ask the imperial parliament to ratify any change we like to make. As my hon. friend from Winnipeg has said, Canada is the only dominion at the present time which has not the right to amend its own constitution. All the other dominions have that right. I will go further and say that Canada is the only country in the world having a federal system of government the constitution of which does not provide for an amendment and for a change by the country of that constitution should occasion arise. The United States have a federal system. There, as hon. members know, the constitution may be changed by a vote of two-thirds of both houses of congress, and such change has to be ratified by three-quarters of the states. Australia also has that right. Germany, which has had a new constitution since 1921, has the same right. The Reichstag can amend its own constitution provided a majority of two-thirds of the members agree to the change. Switzerland also has that right; there again a majority of two-thirds of the members is necessary and the proposed change has to be approved by the people. In Australia the same condition exists. A majority of two-thirds is necessary, and then the action has to be ratified by the states and even by popular vote. A similar or almost similar condition exists in New Zealand. In the Argentine republic a similar condition exists, the constitution may be changed by a majority of two-thirds of the Chamber. Canada, I repeat, is the only country in the world which does not possess that power. I believe an arrangement could be arrived at between the various parties to our constitutional pact by virtue of which we in Canada should have that power, with all the proper safeguards regarding provincial rights and the rights of minorities.

Mr. LAVERGNE: Suppose we have the right to amend our constitution, does the hon. member think we could amend the constitution of any of the provinces?

Mr. LAPOINTE: No, no. I say that this should be done by cooperation. The provinces at the present time have the right to amend their own constitution, except with regard to the office of the lieutenant-governor; but on the question of the respective jurisdiction of the Dominion and the provinces, there is no doubt that this could not be changed by

either without agreement with the other. That is what I submit, and that is I think the solution of our problem, which is certainly fraught with many difficulties. Because there again how will that consent be obtained, and in what manner shall it express itself? Shall we require the unanimous consent of the provinces to every change that might be sought? I know that this will be the opinion of some, but with that I could not agree. This would make our constitution, I think, too rigid an instrument, and it would be contrary to the principles of the British constitution, which after all is an instrument of progress. We must have a constitutional instrument which can possibly be altered to suit new facts, new ideas, and so keep progress with the progress of the country.

I was reading some time ago a work published by Dr. William Bennett Munro, a professor at Harvard, and who, I am told, is a Canadian, on The Governments of Europe, and I agree with the views he expresses as regards amending a constitution. He says:

> The amending process may fairly be called the most important feature of any constitution. The purpose of a constitution is to preserve order but it cannot preserve order unless it promotes progress—and it cannot promote progress unless it is capable of being amended either formally or by judicial interpretation to meet the new needs that arise. A constitution should not be too easy to amend, for in that case it will fail to secure order, stability, and continuity in the nation's political life. Nor, on the other hand, should it be too difficult to amend, for it will then clog the wheels of political progress and serve as an incentive to coups d'état or revolutions. The ideal amending process is one that assures stability without impeding the normal development of political and economic activities among the people. On this general principle all makers of constitutions have been substantially agreed, but they have been far from agreement as to the methods whereby the ideal can be attained.

I think those views are correct. A constitution should not be too easy to amend; on the other hand, it should not be too difficult to amend as the necessity arises. Again I say that to insist on having the consent of all the provinces to every change would be asking almost an impossibility; to ask that either British Columbia in the west or Prince Edward Island in the east should be able to block a change with which it is essential for the federal power to go ahead within the limits of its jurisdiction on certain matters, I do not think would be right; but on essential matters, such matters, for instance, as the protection of minorities, of language, of schools, as they are inserted in the British North America Act, I believe it should not be possible to make a change without the consent of all.

Mr. LAVERGNE: That is not much of a protection.

Mr. LAPOINTE: I think that is more a protection than the present system. What is the present system protecting? My hon. friend will admit with me that there are not many cases where protection has been extended.

Mr. LAVERGNE: Hear, hear.

Mr. LAPOINTE: I think that protection is more of a legend and a myth than a reality. I believe that the best safeguard of minorities in this country is in themselves, to assert their own rights to arrange with their fellow countrymen, and that a constitution agreed upon by all the provinces, which is a Canadian instrument, and which becomes the charter of the country, would, I think, be more a protection than the present one.

Mr. LAVERGNE: Hear, hear.

Mr. LAPOINTE: I am glad my hon. friend agrees with me on this. I do not think that seeking outside of our own country a protection of our rights or prerogatives is consistent with the present stage of our evolution as a nation.

Mr. LAVERGNE: Hear, hear.

Mr. LAPOINTE: I am pleased indeed that a conference is going to take place where the whole subject will be discussed by the representatives of this Dominion and the representatives of the provinces. I am glad of the suggestion offered by the Minister of Justice that a committee of this parliament should be formed next session for the purpose of preparing the Dominion case, of trying to agree on the proposal which will be submitted to that conference. That may be the only opportunity of us who sit on this side of the house to express our views as regards that subject, because the government naturally would supply the representatives at the conference, but we will certainly be pleased to cooperate with my hon. friend and his colleagues in trying to come to an understanding as to what ought to be the position to be taken by the Dominion at the conference. I also believe that all the constitutional authorities in this country, lawyers, professors and students, and common people as well—

Some hon. MEMBERS: Oh, oh.

Mr. LAPOINTE: I mean the public at large, although I do not think I need qualify it. I said "students," and every Canadian is a student at the present time. I think they

should consider this matter very carefully, offer their suggestions, discuss it in the press and in the universities, so that the best possible solution or decision may be reached when the time comes.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, it is with some timidity and a good deal of natural diffidence that I venture upon this debate after the extraordinary brilliant speeches that have preceded the poor one that I am about to make. The only reason that I venture to enter into the discussion is that I hope before I sit down to offer a suggestion that has not yet been made in connection with this whole matter. I am further encouraged to enter the debate as the result of the closing remarks of my hon. friend who has just taken his seat (Mr. Lapointe). Not being a lawyer; being only to a minor degree a student of this subject; being merely one of the common people, I feel that now that we have been included in the discussion of this problem I may, as a humble representative of one section of the common people, take a share in the discussion.

Mr. LAPOINTE: The invitation was directed towards my hon. friend.

Mr. GARLAND (Bow River): I rather felt that this was the case. I would point out, however, that even in the debate that has taken place there is distinct evidence of the tremendous confusion that is possible even in the consideration of the amendment of the constitution. Why, the hon. gentleman who has just taken his seat suggested at one stage of his speech that we now have the right to amend the constitution, and then within five minutes he said, "But I agree with the motion that we should have the right to amend the constitution." That is just one illustration in passing of the trouble we get into in the use of words in a question of this kind. I have no doubt in the world that I shall probably get into the same kind of bog myself before I get through. The Minister of Justice also suggested that we had progressed very satisfactorily for sixty years under the constitution, and having satisfied himself that we had progressed very satisfactorily he then proceeded to say a little later on that we had just blundered along somehow or other.

The latter statement is about right; we have blundered along, but in the meantime we have been blundering favourably in another direction. May I quote the words of Mr. Brooke Claxton, in the opening part of his article in the supplement to the McGill News on the amendment of the British North America Act. He says:

> The principle of self-development is as compelling in political organizations as in individuals, and the British Empire offers no finer aspect than that of a long procession of innumerable peoples—colonies, dominions, states —moving slowly but surely towards that end.

Towards what end? Towards the end of self-development.

Mr. McGIBBON: Might I ask a question? With all these amendments to the constitution and these imperial conferences; with the power to amend our own constitution, which Australia has, is it not a fact that to-day the British Empire has practically dissolved by its own consent, and exists only through sentiment?

Mr. GARLAND (Bow River): I do not want to enter into a discussion of that question, but I think if the hon. gentleman will read Professor Zimmern's book, The Third British Empire, he will find that is exactly the position in which the British Empire found itself in 1926 or about that time. Professor Zimmern is a far greater authority on that subject than I am; all I could do would be to express my private opinion, in which I am sure the hon. gentleman is not interested.

During the past twelve years in particular this country, in common with the other dominions, has made most extraordinary progress in regard to this very thing which is mentioned by Mr. Brooke Claxton, self-development, so that to-day we have laid down this principle, that equality of status is, in so far as the United Kingdom and the dominions are concerned, the root principle governing our inter-relation. The old colonial position is past, or is rapidly passing. The Governor General has ceased to be the representative of the government of the United Kingdom; now he is the direct representative of His Majesty to this country. Even the position of the king has changed, for now he is clearly and definitely the king of Canada and appoints his viceroy on advice of Canadian ministers only, and the treaties that we enact by our own right contain words to that affect. "The King, in respect of the Dominion of Canada" is the phraseology actually used. We are, as it is set forth in the report of the recent conference, in no way subordinate in respect of any of our relations, internal or external, to any other government in the commonwealth of British nations or any other government at all. We appoint our own ambassadors; we make our own treaties; shortly we are to pass the statute

of Westminster which will remove almost the last remaining vestiges of our colonial inferiority.

So, steadily and persistently, the growth of our autonomous state has proceeded. The status of sovereign freedom, with one great exception at least, is now almost complete. That one exception is in respect of this very matter which we are now discussing. We recognize the same king that is recognized by the other dominions. A king union is now in existence. The king acts, in so far as Canada is concerned, on the advice of his constitutionally appointed ministers in Canada and does not act, in respect of Canada, on the advice of anybody else. That is a remarkable advance. But have we reached equality? I submit to the house that we have not reached the equality in one respect at least. The constitutional position is such as certainly would not justify us in terming ourselves wholly autonomous. The constitution under which we function is not our constitution; we have not the power to amend it.

Mr. McGIBBON: We might have the power if we wanted it.

Mr. GARLAND (Bow River): Yes, but we have not got it. All we possess to-day, with all due respect to the speakers who have preceded me, is the right to pass a humble address through both houses, and humbly petition the parliament of another country to pass an act to amend what we call our constitution. It is an absurd and anomalous position in view of our assertions of equality of status.

Mr. McGIBBON: Was not that the cause—

Mr. GARLAND (Bow River): I would ask my hon. friend to let me go on. All that we possess is the power to ask another parliament to do for us what we cannot do ourselves, but I am very glad to-night to hear the unanimous opinion of this house as expressed so far that we should have the power, the right to amend the constitution. I submit that legally the parliament of the United Kingdom can destroy, remove, amend or modify what we call the constitution of Canada without even consulting this country. The British North America Act is not a treaty; it is not a compact, it is not a contract, by the widest stretch of the imagination. The British North America Act is only a statute of the United Kingdom, nothing more and nothing less. The only body that can effect that statute, naturally, is the body which created it, and that is the parliament of the United Kingdom. That is the proud position in which we find ourselves.

Hon. members have referred to this act as a contract; they have submitted that it is so much of a contract that the provinces must be consulted before amendments are submitted to the parliament of the United Kingdom. With all due respect I think my hon. friend the ex-Minister of Justice had some views of his own to express in that regard not long ago. I submit that there is no evidence, at any time, by either enactment or resolution, of any effect whatever upon which this claim can be based or entailing the consulting of the provinces. As a matter of fact the contrary is the case. On almost every occasion on which this parliament and the senate were called upon to consider amending the constitution, or rather a petition for the amendment thereof, the opposition raised this question of the right of the provinces to consultation and assent. All the way down the history of constitutional amendments you will find the point raised that this is a contract and that this parliament has no power to change the contract without consulting the provinces. On every occasion this parliament rejected the opinion so expressed and proceeded to request the amendment without consulting the provinces.

Take next the classic case which has been mentioned in this debate, the case of 1907, with respect to the adjustment of subsidies. Consultation with the provinces had taken place prior to the meeting of parliament, but that consultation was not for the purpose of securing the consent of the provinces to the amendment but merely of getting their agreement to the terms of the change in subsidy. That was all. Moreover, it is to be noted that there is one definite illustration beyond any other—and this confirms me in my belief—to show that hitherto there has been no obligation upon this parliament to secure the consent of the provinces in regard to amendments to the constitution. I refer to the fact that British Columbia and Prince Edward Island disagreed with the proposed amendment. Both of these provinces passed resolutions through their legislative chambers protesting against the terms and one, British Columbia, vigorously resisted them. One of the members representing Prince Edward Island in the house at that time spoke, he said, on behalf of the government and the people of that province, and placed himself in direct opposition to the proposed amendment. But it made no difference; the petition for the amendment was agreed to by this parliament

and went forward. When it went to London, Mr. McBride, the premier of British Columbia, accompanied the delegation and presented himself to protest against the passing of the legislation. It just happened by good fortune that there had been inserted in that bill three words—really two—which were utterly unnecessary and absolutely inapplicable in any statute, especially one such as this. Those words were, "final and unalterable." Those words, I say, were altogether inapplicable, and obviously so; because no amendment to any constitution, not even indeed to a statute of parliament, can be declared by one parliament to be final and unalterable for the simple reason that the succeeding parliament can do what it will with that enactment. And so, to save Mr. McBride's face, Mr. Chamberlain decided to have those words struck out, so that when Mr. McBride came home he was in a position to say that the honour of the province had been vindicated and a constiutional crisis obviated.

Let us go back to 1869, when it was proposed to increase the subsidy to Nova Scotia. The Hon. Mr. Blake rose in the house and protested. He is reported as having said:

> It was impossible to suppose that the representatives of the lower provinces had consented to the British North America Act with the understanding and knowledge that it could at any time be changed by a majority in the Canadian parliament.

Very striking words, these. A little later the Hon. Mr. Wood moved an amendment in which he held that the financial arrangements then in the act were a matter of treaty and that even parliament had not the power to change the terms.

Now, if ever there was an illustration of the right claimed by some that the provinces be consulted, it was then furnished. Here was the very essence of the claim of provincial rights—that the consent of the provinces was necessary. The Hon. Mr. Holton spoke. He held that the union was a pact or a treaty between the provinces, and he argued therefrom that they should be consulted. But what happened? The simple result was that the government's proposal was ratified in both houses. As to the contention that consent was necessary by the provinces, it did not succeed but was clearly rejected by parliament.

In connection with the Manitoba Act of 1870, confirmed by the imperial parliament in 1871, it is interesting to note what a well-known constitutional student and authority, John W. Dafoe, said in his article with reference to revising the constitution. That article appeared in Queens' Quarterly, the winter issue of 1930, and in it this authority states:

> Considerable light is thrown upon the ideas current at that time with respect to the procedure to be followed in securing constitutional legislation by the discussion in the Canadian parliament, which preceded the passage of the British North America Act, confirming the Manitoba Act of 1870 by the imperial parliament in 1871.

The following are the words to which I wish to direct attention particularly:

> If it was the understanding at the time of confederation that the provinces were to be parties, at least to the point of giving their consent, to constitutional legislation, it is a little remarkable that no province took exception to the admission to the family of Manitoba under special conditions as to representation, nor to the extensive powers conferred upon the Dominion by the British North America Act of 1871 for the establishment of new provinces.

There, if ever, was an opportunity offered, such as one cannot imagine unless it be the one in 1869; and yet there was no protest, no insistence even in the house, on the part of the advocates of provincial rights, upon the right of the provinces to be consulted.

In 1914 the House of Commons unanimously approved an address to the imperial parliament to change the representation in the Senate. Any student of constitutional history in this country will realize that that did directly affect the original terms of the so-called pact, especially in regard to the province of Quebec. The Senate was regarded as embodying a certain balance for the protection of such rights, and any modification thereof, any adjustment of representation in connection therewith, should certainly have been a matter for consultation with the provinces, if there is validity in the contention that the provinces should be consulted. But what is the fact? This house proceeded unanimously to pass the resolution. The bill went to the Senate and there Senator Dandurand held that approval of the older provinces, or at least consultation with them, should have been effected. But he did not even insist upon their approval; he held that at least there should have been consultation. And observe that in that case it had been the intention of the government to seek to bring about this material change by order in council. It was on that occasion that a motion was introduced—I forget who it was that introduced it—determining that in future amendments should be sought on petition of parliament and not of the government. The matter dropped, because the Liberals in the Senate insisted upon attaching to the resolu-

tion a rider to the effect that it should not take effect until the end of that parliament. The leader of the House of Commons at the time refused to accept the Liberal suggestion and the proposed resolution was dropped.

In 1915 Sir Robert Borden again brought the address to the attention of parliament. There was very little debate in the Commons. No question was raised as to the consent of the provinces being required. As soon as the proposal reached the Senate, Senator Bostock, without any reference to the question of the consent of the provinces, once more added the proviso for delay and it was accepted by the leader of the house and by the house. It passed both houses and became, in effect, an application for amendment. And again there was no consultation with the provinces. I may observe, by the way, in connection with the debate that took place in this house following the insistence of the Liberal majority in the Senate at that time upon adding to the resolution their delaying amendment, that some caustic remarks were made; and one of the most caustic and bitter was a lecture to the Senate, read in this house by the then Honourable Richard Bedford Bennett, the same gentleman I believe who is now the leader of the government. In the course of that debate he used this language—and I ask you, Mr. Speaker, whether we should be called to order if we used such language to-day. He said that Senate was "an irresponsible body which has thwarted the will of democracy as expressed by this House of Commons."

Some hon. MEMBERS: Hear, hear.

Mr. GARLAND (Bow River): I say "hear, hear," too. I think it was very appropriate language under the circumstances. May I submit, in connection with the question of the complete consent of the provinces, it would be a tremendously serious thing if at any time this country were to acquiesce in the contention that the unanimous approval of the provinces should be secured before any amendment to the constitution is requested? It is exceedingly fortunate that so far this form of procedure has not been established, nor has at any time the requirement of consent of the provinces been established in law or in fact.

In view of the growth and of the importance of the Dominion to-day, in view also of the root principle of equality, in view of the expensive and irritating litigation entailed in an effort to cover matters that were never dreamed of by the fathers of confederation and to stretch the hitherto useful but now almost outworn constitution to cover those points—in view of all this, it is certainly time to consider calmly and with the most meticulous care what attitude we should take in connection with this proposal. The constitution as we call it, is no sacred tablet. It should not be permitted to shackle our progress or in any way to hamper the evolution, social, economic or political, of this country, and certainly we are entitled now to seek that amendments to the act may be applied by us in our own right and that we shall not be under the obligation of appealing for them to another parliament. That is the smallest step that I would take. Is it not amazing that to-day in spite of all our boasted development of status we do not possess what every Canadian club or board of trade or horse racing organization possesses? These have constitutions of their own and power to amend them. Even our provinces have the right to amend their constitutions.

Speakers who have preceded me have referred to the position in respect to this matter in other of the dominions. In the South African Act of 1909, in the Australian Act of 1900, and in the Irish Free State Act of 1922, provision is made in every case for the amendment of the constitution.

Mr. CAHAN: With certain restrictions.

Mr. GARLAND (Bow River): Yes. The British North America Act, as I have said, like any statute of the United Kingdom, can be amended only by the United Kingdom. What is the condition in Australia? The ex-Minister of Justice has already intimated in part what it is. In Australia the constitution may be amended by a vote of an absolute majority of both federal houses, approved by a majority of votes passed in Australia itself, and by a majority vote in a majority of the states.

In South Africa the constitution may be amended by an act passed in the usual way, except that amendments that affect either language or qualification of voters require a two-thirds vote of all members of both houses. In the Irish Free State there is in operation, commencing this year, a provision that amendments may be secured by an act adopted in the usual way and approved by the vote of the majority of persons qualified to vote or by a two-thirds vote of the electorate.

Mr. CAHAN: That is provided the amendment is in conformity with the treaty.

Mr. GARLAND (Bow River): Of course. We find that in comparison with these other

countries, we are relatively in a strait-jacket sixty years old. The problem facing us resolves itself into two heads: first the formulation of an amendment. How should this house or this parliament do this? How can Canada best express what she wants? It has become clear to me in recent years in particular, because of the insistence of the provinces on increasing their rights, that we can no longer escape the necessity, no longer escape what I think we are bound to regard as an obligation in the interest of peace, order, and good government, to consult the provinces. I am forced to that conclusion. Picking up again that excellent article by Brooke Claxton, I find he uses this language in regard to it. He deplores the increase of provincial power to the exclusion or diminution of federal power. To some degree I agree with him as did, I think, almost all speakers who preceded me. In this article he calls attention to this. He says:

> The weight of decision has swung backwards and forwards between provincial and federal rights, now favouring the one and now the other. Since the case of Russell versus the Queen (1882) the general trend has been in favour of provincial rights and away from the express intention of the fathers of confederation to strengthen the central government. It was only in 1922, however, that the general power to legislate for the "peace, order and good government" of Canada became stripped of all effect, except in time of war or general national peril. The federal government, which used to be amply clothed with plenary power, is left without a stitch beyond a sword-belt. The result of all this has been to weaken the federal government's hands and to strengthen the provinces, to weaken national feeling and to strengthen sectional and provincial feeling, to cool the spirit of self-sacrifice and cooperation that during the war joined the country from end to end. "Provincial patriotism flourished vigorously under the fostering care of judicial decisions."

I am sure I hear those sentiments echoed in many mouths to-night.

Mr. LAVERGNE: That is not corroborated by facts or jurisprudence.

Mr. GARLAND (Bow River): Just a minute. He continues:

> This is the reverse of the process in the United States, where, since Marshall became chief justice, the general trend has been to strengthen the federal government and the power of the supreme court. Lord Bryce wrote. "Had the supreme court of the United States of America been in those days possessed of the same spirit of strictness and literality which the Judicial Committee of the Privy Council has applied to the construction of the British North America Act, 1867, the United States' constitution would never have grown to what it now is.

[Mr. E. J. Garland.]

I submit it now becomes necessary that amendments to the constitution shall receive the support of the voice of all the people in all the legislatures in this country, not unanimously by any means, but by a method to be worked out by such a conference as has been suggested to-night. But the one thing with which I take issue in this amendment, taking it in conjunction with the speech of the mover, is this, that in the discussion of the motion—

> That, in the opinion of this house, it is desirable that Canada should have the right to amend her own constitution.

—he dwelt almost entirely upon social and economic legislation, all of which may be adjusted by amendment to-day. So that the right of amendment by the Dominion is not involved in the major part of the hon. gentleman's address, and that was really the one thing that bothered me a little bit about it. I do not want to strip the provinces of a single vestige of power which they should properly possess, but neither do I want to see the Dominion bereft of its powers and bedevilled by an infernal succession of appeals to litigation on matters so potent to common sense that one cannot for the world understand why they should ever become matters of litigation. Let me just mention the two latest problems—the problem of aviation and the problem of radio. What interest under heaven can any single province have in the development of either of these great new enterprises which must inevitably be national in character? And yet you have the insistent and growing greed for power of the provinces, ever reaching out to grasp every new development that may take place. That problem has to be met.

The second thing which we have to consider is the enactment of the amendment, and in this connection let me submit to the house that it is not so much an amendment to the constitution that we need, as the creation of our own constitution, a constitution in which all the necessary constitutional limitations shall be embodied. The occasion of the coming Dominion-provincial conference on this matter might well be the moment for the selection of a royal commission to redraft our constitution or draft a new one, clarrifying it, making clear the relative powers of the Dominion and of the provinces, especially where serious doubts still exist, ironing out many of the difficulties that can be ironed out by the application to the problem of reason and common sense.

But that would not suffice. After the royal commission had drafted such a constitution,

it should be submitted to the people in a referendum, just as was done in the case of Australia. Let me recall to the members of the house—I think most of them are familiar with it—that the constitution which was drafted by a commission in Australia was submitted to the people of Australia in a referendum, and by a very large majority the first draft was rejected. The commission reconsidered the objections to the first draft, amended the constitution again, and once more submitted it to the people, whereupon it was accepted by a very large majority.

Mr. LAVERGNE: What if the amended constitution were rejected by one province?

Mr. GARLAND (Bow River): I will deal with that in a moment. In Australia they now have a constitution that comes from the people, and that is what I say Canada should have. The initial draft could be prepared by a commission at the direction of the Dominion-provincial conference. The draft could be submitted by a referendum to the people. If it was not satisfactory to the people, the constitution could be redrafted and submitted again until finally we evolved our own constitution, one arising from and out of the people of this country. After that has been done, I submit that before it should become the formal, official constitution, the draft might secure the consent by resolution of the two major and older provinces, Quebec and Ontario. I make this suggestion in order that we shall ensure definitely that such a constitution would not in any way violate any understood obligations of this country towards the so-called minority. It is a detail which may well await the maturer considerations of the proposed commission.

Mr. CAHAN: You do not believe in equality of status among the provinces?

Mr. GARLAND (Bow River): This is not so much a matter of equality of status as a matter of carrying out an obligation—an obligation which we have towards these people, and which I personally, with all others, am willing to accept.

The world has advanced at a great pace since 1867. Science has brought up many new problems, some of which I have mentioned, and which demand solution, problems which certainly were undreamt of by the fathers of confederation and by the parliament of the United Kingdom which enacted the British North America Act. Surely the time has come for this country, which we boast has progressed more than, or at least as much as, any other country on earth, to reconsider in the light of the developments which have taken place in the last sixty years, its whole constitutional fabric and attempt to bring it up to date, instead of doing, as the Minister of Justice said we had done—just muddling through with something that inferentially compels us to muddle through; and he is right. All we are doing to-day is muddling through in a hideous mass of litigation from one year-end to another on questions that could be cleared up measurably by the application of rational, constructive, creative ability. As I said, we have now to provide for problems that did not exist sixty years ago. Shall we continue to try to stretch this act to cover what it could never have been intended to cover—for that is what we are trying to do to-day—or shall we now at last prepare our own constitution to meet more fully, more fairly, and more justly the problems of to-day, and make it a constitution more in keeping with the nationhood that we have acquired? Or shall we continue to spend fortunes in futile litigation in an attempt to reconcile the irreconcilable? I stand for a new constitution for Canada—our own.

Hon. C. H. CAHAN (Secretary of State): I intend to take up only a few minutes. I remember the first confederation day in July 1867 as distinctly as if it took place only a year or two years ago. Since that time, at least since I was a boy of fifteen, I have had intimate relations with nearly every prominent man on either side of politics in Canada, and I have heard the constitutional questions as they arose discussed by the men who made the issues. I think that my hon. friend who has just taken his seat (Mr. Garland) perhaps lacks an intimate knowledge of the atmosphere in which and the conditions under which our constitution has developed. He has referred to a number of instances in which the parliament of Canada decided as to the exact terms of the amendments to be proposed to the imperial parliament, and in respect of which the provinces were not in particular cases consulted. Admitting that the parliament of Canada has control of the treasury of Canada, admitting that the parliament of Canada may distribute, by act of the parliament of Canada, its funds for such purposes as it deems appropriate, then, until last year, I do not remember any amendment to the British North America Act in which the provinces as provinces were intimately concerned. But I do say this, that from the very earliest times the leading public men in both political parties, because there were then only two parties in the main, have proceeded on the basis that in respect of those matters in which the provinces as provinces

were concerned they should be consulted before radical amendments were made to the British North America Act. When I say radical amendments I mean amendments such as the Minister of Justice (Mr. Guthrie) has described—reapportioning the division of legislative jurisdiction between the legislatures of the provinces and the federal parliament.

I quite agree that the time is coming when Canada, by the concerted action of the federal as well as the provincial authorities, may well exercise the right and legislative power of amending the constitution of Canada. However, in providing ways and means for such amendment we must necessarily make such discrimination as the Minister of Justice made to-night and in which I understood the hon. member for Quebec East, the former Minister of Justice (Mr. Lapointe), to concur. The constitution of Canada as expressed in the British North America Act, as pointed out by hon. members who have preceded me, deals with certain matters which should be within the competence of this parliament alone to decide. With respect to those matters the provinces are not interested and should not be consulted.

I will go so far as to say that even in certain minor matters a new apportionment of legislative jurisdiction might be made by the consent of the majority of the provinces. But amendments to the main structure of confederation, which forms the basis of the union of our people of different religions and different races, cannot be placed within the jurisdiction of this federal parliament alone if the peace and good order, happiness and contentment of our people is to continue in the future as it has in the past. Before the recent Dominion-provincial conference, simply trying my hand for the amusement of myself and the information of some of my friends, I drafted a clause which might be inserted in the new statute of Westminster with regard to future amendments to the British North America Act. But being present I felt the atmosphere of the recent provincial conference, and it was then quite clear to me that my personal ideas were altogether too radical to secure the approval of the conference. It seemed to me however—and this is merely a personal suggestion—that we might come to an understanding with the provinces to the effect that mere amendments to our own constitution such as parliamentary procedure, the constitution of our own parliament in so far as it does not affect the rights of provinces and their proportional representation therein, should be within the competence of this parliament, exclusively. With regard to those other matters which concern the legislative jurisdiction of the provinces, in contradistinction to the legislative jurisdiction of the Dominion, I think we might possibly find some line of division in respect to which a majority of the provinces concurring might authorize the Dominion parliament to proceed with amendments.

I heard the expression informally upon at least half a dozen occasions from half a dozen representatives of provinces of Canada during the recent provincial conference that it should not be within the competence of one provincial legislature, through indirect action for local and selfish motives, to prevent reforms being carried out which were approved by all the other provinces. I would not speak in terms of disrespect concerning the province of Prince Edward Island; I love that island, because it is the neighbour of my native province of Nova Scotia. I hold that province in great respect, and yet I heard it suggested on several occasions that the province of Prince Edward Island alone or the province of Nova Scotia alone should not be placed in the position of being permitted to thwart every measure of public reform desired by the other provinces of the Dominion. That issue must be met. With regard to these other matters, however, which deal with education and the like, which deal with race and language and frame the issues upon which the compromise was reached by the fathers of confederation, those matters certainly should not be changed except with the consent of those provinces which, by reason of their populations being largely of one race or the other, are therefore intimately concerned therein. My proposition was of no great value, but I suggested that the British North America Act might be amended by an act of the parliament of Canada which should pass both houses of parliament either by a clear majority of all the members or by a three-quarters majority in each house.

Mr. LAPOINTE: Or a two-thirds majority.

Mr. CAHAN: I am giving perhaps a more conservative safeguard. Before such a measure should receive the assent of the governor general in the name of the king it should within eighteen months thereafter receive the approval of either the governments of the several provinces or the legislatures of the several provinces. I myself favoured the approval of the separate and distinct legislatures. There was a further provision that changes which affected interests of race, religion and education should be concurred in by all the legislatures of all the provinces. It

is along that line that I think the minds of men are working.

I do not believe in putting the whole Canadian constitution into the waste heap. I lived my youth with those men who framed our confederation. Perhaps it was because of my youth and their political stature that I have now so high an appreciation of their great intelligence and ability. I do not think that in this present day, even in this parliament, that we have the same political intelligence—well, perhaps I should not say that. However, there is such a thing as political intelligence. My hon. friend who preceded me spoke of other kinds of intelligence, but in regard to political intelligence I do not think we are in any way superior to the men who sat in the first parliament of Canada. I do not think we are more sincere or more patriotic, and I doubt if we understand the problems of our day more clearly than they understood the problems of their day. It is all nonsense to suggest, as my hon. friend has, that a few businessmen can express a political constitution in such terms of clarity as to preclude litigation with respect to it in the future.

Mr. GARLAND (Bow River): Not at all; I did not say that.

Mr. CAHAN: I understood that to be the suggestion of my hon. friend.

Mr. GARLAND (Bow River): No, I never referred to businessmen. I referred to a royal commission appointed by an interprovincial conference. I am sure my hon. friend would not take issue with a royal commission.

Mr. CAHAN: I am not taking issue with a royal commission at all.

Mr. GARLAND (Bow River): It is not fair to say that I spoke of a few businessmen framing a constitution.

Mr. CAHAN: But the hon. gentleman seemed to cast some reflection on the present constitution by reason of the fact that it had given rise to litigation, and to suggest that such litigation was to be obviated by the new constitution which is to be developed by some means such as he suggested. So long as mortal man finds it difficult to express his thoughts in concise, precise language, so long will there be litigation. I do not think that this Canada to-day has men in its midst who are more capable of expressing their views in concise, precise terms that will avoid litigation in the future than were those men who framed our original constitution. It is a matter of sincere congratulation to this country that we have developed as we have with that consistent cordial cooperation which has distinguished men on both sides and of all parties who have represented Canada in this House of Commons. I sat in this press gallery in 1887 and 1888 as a reporter, with Sir John Macdonald leading the house, with Blake and Cartwright and Mills on the other side, and when Sir Wilfrid Laurier, then Mr. Wilfrid Laurier, had hardly emerged into the political prominence to which he afterwards attained. The members of this house are not more intelligent than those men, though as intelligent no doubt in dealing with the problems which we have to deal with as were our predecessors in dealing with the problems of their day. And we will go on and deal with them. We want no revolutionary changes. Let us develop in the future as we have developed for the past sixty years, during which period we have avoided those grave perils and difficulties which had been foreseen from time to time by those who preceded us. To do that we must proceed by cordial cooperation and by consent. I would give to the provinces by consent the largest liberty that it is possible to give them; but I agree with those hon. gentleman who say it is their duty as members of this federal parliament to preserve intact to the fullest extent possible the legislative jurisdiction which we now enjoy, because the exercise of that jurisdiction by a parliament representative of all the provinces, of all the electoral districts of Canada, is absolutely necessary if we are to develop in the future as in the past as a nation under the British crown.

Mr. ARMAND LAVERGNE (Montmagny): Mr. Speaker, I am inclined to think we are wandering far from the resolution. If I understand it well, the resolution is to this effect: whether Canada is to be mistress of her own destiny, to be able to amend her constitution, or whether she is still to be under the imperial act which can be changed only at the will of Great Britain. I think that every Canadian proud of being a Canadian will agree with the resolution that Canada should be mistress of her own destiny, of her own constitution.

The resolution provides for the safeguard of the rights of minorities. I shall come back to that later on. But objections have been raised to the consent of the provinces being necessary to a change in our constitution. In my opinion the provinces, as sovereign colonies, have retained to themselves certain of their original rights, and have delegated the balance to the central power. Whether we like it or not, I cannot see why this parliament should be able to amend the constitution so far as it affects such rights of the provinces

as were guaranteed by article 92 of the British North America Act. That is, their rights cannot be touched by this parliament, and the act in these respects can be amended only by their consent. Every right reserved to the provinces by section 92 belongs to the provinces, and this parliament could not, even by unanimous vote, take those rights away from them. I have heard to-night that this has been done in the past. But I would point out that the resolutions that have been passed from time to time to amend the constitution have not touched the rights of the provinces, except so far as they may have been included in section 91 of the act, in which cases the consent of the provinces was given by the vote in this house of the members representing those provinces.

Now, the question is this: Should Canada be mistress of her own destiny? I think we all agree on that, and if we do not, I am sure the dissenting minority would be very small. But at the same time we must understand that the pact of 1867 was the delegation by sovereign colonies to the central parliament of certain of their rights, reserving others, and the rights so reserved this parliament cannot touch. For instance, we cannot amend the civil code of the province of Quebec; we cannot amend the rights of the provinces with respect to their municipal law. Those rights belong to the provinces, and if we passed any resolution or any statute to curtail or take away those rights we would be disrupting confederation. Of course, there has been litigation. Wherever there is law there must be litigation, and since the code of Justinian, or even before that, since the law of the twelve tables, there has been litigation, and as long as laws are passed, even by the parliament of Canada—although the House of Commons as it is constituted to-day represents the best brains of the country—I am sure there is bound to be litigation regarding their interpretation. But I know this—and here I take issue with my friend from Bow River (Mr. Garland)—that far from the provinces encroaching on the central power, experience, jurisprudence and facts have demonstrated that every time that a province and the central power have passed concurrent legislation, the federal legislation was certain to supersede and to nullify the provincial legislation. Therefore, far from encroaching on the central power, I think all the provinces have seen their powers curtailed through the very letter of section 92.

My hon. friend very lightly, and I was going to say very broadly but that is not the word I want, stated that the rights of the

[Mr. LaVergne.]

minorities should be preserved. Well, we had the British North America Act, by which the rights of the minorities were to be preserved. More than that, we had the declaration by Lord Carnarvon when moving the adoption of the British North America Act in the House of Lords in 1865 or 1866. He stated that not only the minorities in esse but the minorities in posse should have the same rights the moment they entered union, and that Lower Canada was as just proud of her institutions as was Upper Canada. Lord Carnarvon said that any minority, be it French or English, Catholic or Protestant, the moment it entered the union with a system of separate schools or with certain rights of language, would have those rights preserved.

I ask this House of Commons how this pact has been kept. We have had the British North America Act amended without the consent of this House of Commons. It has been amended in Manitoba, where the rights of the minority have been curtailed by the legislature. I must say that this parliament tried to pass a remedial bill. I do not want to open old sores, but the remedial bill was not passed, and every hon. member remembers why. Let me quote one point. In 1897, when Sir Charles Tupper was leader of the opposition, he offered the then Prime Minister, Sir Wilfrid Laurier, the full support of the opposition if another remedial bill should be introduced. The Conservative government had just fallen over the cause of the minority in Manitoba, and I think there is no page in Canadian history of which a nation should be more proud and of which the Conservative party should be more proud than that which has to do with this action of the old leader of the Conservative party, who had been defeated in 1896 because he stood for the rights of minorities and for justice and liberty in this country.

This will show that in spite of our blunders we still manage to get through. I have heard from some people who call themselves very strong provincial rights—and not to bring any names before this house I shall not name the premiers of Quebec—that Canada should not be mistress of her own destiny, that our safeguard was in Westminster and the throne. I believe I am one of the last monarchists in the world just now—certainly I am not of the most convinced monarchists—and no one more than myself believes in the right of petition to the throne. However, I must go further. I do not agree with the premier of Quebec; I think these are Canadian matters which should be settled between Canadians. I have enough confidence in my English-speaking compatriots to trust the destinies of the minority of this province in their hands.

Probably, and I think undoubtedly, there will be some who will not immediately accept the rights of the minority in this province. There are those who, rightly or wrongly—wrongly, in my opinion—think it is too bad that we should have two languages and two religions in this country. With regard to the two religions, even if the Roman Catholic religion disappeared I think my hon. friends who are not of my faith might find a little difficulty in agreeing among themselves. But let me go further: I know there is a school of thought who say, as they said sixty years ago, that this country must be English, even at the expense of ceasing to be British. I claim the greatest asset of this country is our dual language and our dual civilization, and I have enough confidence in the spirit of fair play and the Canadian spirit of my English-speaking compatriots to trust in their hands, rather than in the hands of Westminster or even the privy council, the destinies of the minorities of this country. That is why I heartily support the motion.

I think these are questions which should be discussed among ourselves. We may have bitter discussions at times, until we come to the conclusion that whether we be of French or English origin, of Catholic or Protestant faith, we have one common ground, and that is our common mother Canada, the land of our forefathers, the only land we care for and the only land to which we owe a duty. For these reasons I humbly support the resolution of the hon. member for Winnipeg North Centre.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker—

Mr. SPEAKER: The hon. member for Winnipeg North Centre will close the debate if he speaks now. Does any other hon. member wish to speak?

Mr. WOODSWORTH: It seems to me, Mr. Speaker, with the tone of the debate which has taken place this evening, that there would be no great purpose served by putting this motion to a vote. There have been some rather minor objections to the motion; some criticism has been made as to the wording, and some hon. members might not care to support the motion just as it stands. So I feel that as on the whole the motion has received such very general support from all sections of the house, there would be no particular object gained in calling for a vote.

It appears to me that we have indeed made a very great deal of progress in the last few years. I cannot but recall with some amusement that when I first introduced this question seven years ago one of the newspapers printed a fine cartoon in which the Canadian constitution was represented as a magnificent pillar, while the mover of the resolution was pictured as a tiny mosquito attempting to undermine or break down that pillar. We have gone beyond that stage, and it is a great gain when we can seriously and dispassionately discuss a matter of this kind.

I welcome the suggestion of the Minister of Justice (Mr. Guthrie) that next year, or in the near future, a special committee of this house will be appointed to prepare our case. In that way we can see what amendments may be necessary, so that when a constitutional conference is called we shall be in a position to handle the matter with some intelligence. That statement from the minister is, I think, all that could be expected as a result of our discussion this evening. I quite agree with the Secretary of State (Mr. Cahan) in his eulogy of the giants of the older days, with their wonderful political intelligence, and of course all of us who live in these degenerate days must look back with a great deal of reverence to the men of sixty years ago. At the same time, I would submit that we must work out our own problems in our own day and in our own way. And that is not to show any disrespect to those who have gone before us. As I said in my speech tonight, the men in that day differed from the others in that they were willing to take a chance in having some change from the conditions that had prevailed prior to their time; and we are most truly following in their footsteps when we undertake to make necessary changes in our day. So that, inasmuch as we are now confronted with a new set of circumstances, the only thing for us to do is to endeavour to bring about suitable modifications.

I would take exception again to the statement reiterated by the hon. member for Montmagny (Mr. LaVergne) that there was an agreement. I do not wish to attempt to cover the ground which I went over before, but it does seem to me that it is impossible for us, in view of the historical data we have available, to hold that there was any definite agreement as to the terms of the British North America Act. The hon. member is on much safer ground in the sentiments he expressed in the latter part of his short speech. We have come to the point where we can trust one another, and I think the hon. gentleman will recognize that a statement of that kind from him will cause the rest of us to feel not that we must take advantage of any opportunity to get even with him or to get the better of him, but would rather provoke in us a desire to be worthy of such trust.

Mr. LAVERGNE: I think the agreement was arrived at in this way. Sir Alexander Galt, in the name of the minority of Quebec, requested that certain rights should be granted to minorities, either Catholic or Protestant, in all the provinces. It was he who, in the name of the Protestant minority of Quebec, requested that agreement on resolutions from Quebec.

Mr. WOODSWORTH: I quite recognize that certain agreements were made; we had a number of agreements. There were the original agreements of Quebec and London, and finally the British North America Act. Undoubtedly there were certain understandings. But my point is that we cannot hold to those in any hard and fast legal way. The British North America Act is not a contract in the sense of a legal contract. If I may use again the figure I ventured to use before, I would suggest that it is something in the nature of the marriage relationship. We have lived together, and the relationship has changed from a mere contract, so that we now entertain towards one another a certain degree of confidence and good fellowship, and affection if you like. The Dominion of Canada is more than a string of provinces: it is a family. In that sense we get away from the old difficulties as to whether Quebec and Ontario should be consulted, and they alone, since they were the old and original provinces, while the newer provinces are left out. Speaking personally, I may say that as a child I moved from the old province of Ontario to Manitoba. But I am just as much a Canadian as my cousins who remained in Ontario; and if there is to be any consultation I think I am just as much entitled to be consulted as those of my relatives who remained in this province. But that would not be the case if you held us to the old legal idea of Ontario as a distinct entity. Our grandfathers lived in different parts of the country and we may live also in different provinces, but we all live in Canada. The time has come when we should get away from the custom of thinking in purely legal terms. Let us think rather in terms of the actual conditions that prevail, and with a view to working out for the future a constitution which will really meet our needs as we see them to-day.

As my good friend the Secretary of State (Mr. Cahan), whom I respect highly, was speaking, I could not but recall a resolution which I wrote out in a rather frivolous mood about a year ago, when the ex-Prime Minister (Mr. Mackenzie King) was speaking so much about the British North America Act—we could not get anything done because of it, and so forth. And there was also a good deal of talk about the Kellogg pact and the idea of hanging it up in the schools. I know that irony is dangerous, but this is the resolution that occurred to me then as one which possibly might be suitable to place on the order paper:

> Whereas the tide of new and disturbing ideas is removing ancient landmarks, encroaching on hoary tradition, subverting archaic institutions, embarrassing routine administration and threatening established political equilibrium:
>
> Therefore resolved that in the opinion of this house the government, after having obtained the consent of each and all of the provinces, should consider the advisability of hanging a suitably-framed copy of the British North America Act in every schoolroom in Canada.

Cannot we get away from that old idea that we must always have respect for the letter of the past? Rather, we should seek to enter into the spirit of the fathers of confederation and to carry out their work along the new lines. I wish to express my own personal gratitude to the members of the house for the very thoughtful and considerate way in which they have received my resolution to-night, and with the consent of the house I beg leave to withdraw it.

Motion withdrawn.

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

Tuesday, May 12, 1931

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

First report of the select standing committee on miscellaneous private bills—Mr. Stinson.

PRIVATE BILL

MOTION FOR RECONSIDERATION OF PETITION

Mr. L. G. BELL (St. Antoine) moved:

> That the petition of Marie Rose Agnes Belanger Gauron, alias Caron, of Montreal, Quebec, praying for a bill of divorce from Delphis Gauron, alias Caron, which was presented to the house on the 11th instant, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders, for the purpose of considering the suspension of standing order 92 in relation thereto.

Mr. RINFRET: May I ask the hon. gentleman if this is not a new procedure? It is the first time that I have seen it initiated in this house.

Mr. BELL (St. Antoine): The petition was late in being presented, and we are now

simply asking for leave of the house so that the select standing committee on standing orders may consider the matter.

Mr. SPEAKER: I understand that the clerk of petitions reported that the application could not be received, and it is now proposed to refer the petition to the select standing committee on standing orders.

Motion agreed to.

PRIVILEGE—MR. YOUNG

Mr. E. J. YOUNG (Weyburn)) I rise to a question of privilege, Mr. Speaker. In the Regina Daily Star of Friday, May 8, appears a despatch signed by Thomas H. Blacklock, a portion of which I will read to the house:

> Mr. Weir is of nervous temperament and his friends were anxious over his first effort to address parliament. For weeks he had been subjected to sniping and the most cowardly attacks from such members as Donnelly of Willow Bunch, Vallance of North Battleford, and Young of Weyburn, culminating in an offensive attack by Hon. W. R. Motherwell.

Whether the hon. minister is right or wrong in assuming that all shafts fired from this side of the house are aimed at him personally, this fact is true, that during the debate—

Mr. SPEAKER: What is the question of privilege?

Mr. YOUNG: I am stating the question of privilege, Mr. Speaker. It is this: Mr. Blacklock in this despatch states that I made a cowardly attack on the Minister of Agriculture (Mr. Weir). I say that during the debate in question I took no part whatever in the discussion. I will go further and say that in all the utterances that I have made to this house since the hon. minister has been a member of it I have never once, either directly or indirectly, made any reference to the Minister of Agriculture.

INQUIRY FOR RETURN

On the orders of the day:

Hon. CHARLES STEWART (West Edmonton): I should like to inquire of the Acting Minister of National Revenue when I may expect to be brought down the return to an order of the house which was passed almost a month ago with reference to orders in council passed by that department.

Hon. C. H. CAHAN (Acting Minister of National Revenue): On Tuesday last, when the hon. gentleman mentioned it, I inquired of the officers of the department, and they said that the file was extensive but that they were making progress as rapidly as possible in transcribing the documents for presentation to the house. I will make further inquiries before to-morrow.

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INQUIRY CONCERNING CONVENING OF SPECIAL COMMITTEE

On the orders of the day:

Hon. FERNAND RINFRET (St. James): May I inquire from the Secretary of State (Mr. Cahan) when the special committee on the Copyright Act is likely to be convened?

Hon. C. H. CAHAN (Secretary of State): My hon. friend will find that a notice has already been given that the committee will meet on Friday at 10 o'clock.

SECOND NARROWS—RIPPLE ROCK

On the orders of the day:

Mr. WILFRED HANBURY (Vancouver-Burrard): Before the orders of the day are called I would ask the Minister of Marine if he is in a position to tell the house when the Cote report dealing with the Second Narrows at Burrard Inlet will be tabled?

Hon. A. DURANLEAU (Minister of Marine): We have decided to have the report printed, both in connection with the Second Narrows question and the Ripple rock question. It will take a few days before the printing is completed but upon completion it will be tabled.

ROYAL GRAIN COMMISSION

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): I am sorry the Prime Minister is not in his seat, but I hope some other hon. member of the government will draw his attention to the inquiry I am about to make. On May 5, last Tuesday, I directed a question to the Prime Minister asking when we might expect the report of the Stamp commission. The Prime Minister then promised that it would be presented probably within ten days, and he intimated that before the expiration of that time he would make a statement to the house. Seven days have elapsed and, in common with many of the farmers in the country, I would like to know when the Prime Minister is going to make the statement.

Sir GEORGE PERLEY (Argenteuil): I will see that the attention of the Prime Minister is called to the hon. member's question.

PENSIONS AND ALLOWANCES

On the orders of the day:

Mr. C. G. POWER (Quebec South): I would ask the Minister of Pensions and National Health (Mr. MacLaren) if at this session he proposes to bring down legislation amending the Pension Act or the War Veterans' Allowances Act?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): I am not in a position to make a statement on that point to-day.

Some hon. MEMBERS: Louder.

Mr. MacLAREN: I cannot make a statement to-day.

Mr. POWER: Will the minister make a statement in the near future?

SUPPLY

STATEMENT OF SIR GEORGE PERLEY CONCERNING VISIT TO SOUTH AMERICA

Right Hon. Sir GEORGE PERLEY (Minister without Portfolio) moved that the house go into committee of supply.

He said: Before you leave the chair, Mr. Speaker, I think this would be a suitable time for me to say a few words about the cruise to South America in which I took part. In the first place I should like to explain how this cruise originated. A good many months ago the Canadian Chamber of Commerce, which we all know is a strong organization in this country and which has sponsored missions to other parts of the world on behalf of Canadian business, decided that it would be advisable to arrange a mission to various countries in South America, stopping at the West Indies en route. In this enterprise the Canadian Manufacturers' Association co-operated and eventually, through an arrangement with the Canadian National Steamship Company, it was decided to use the steamship Prince Robert for the purpose of the cruise. This steamship is one of the new boats of the Canadian National Steamship Company; it was built for service on the Pacific coast, and although not large was very suitable for the purpose. It turned out to be an excellent sea boat with good accommodation.

As arrangements for this mission proceeded it became evident that a great many representative Canadians were going to take part. After giving consideration to the request of those who were organizing the mission, the government decided to send one of its number with the mission to South America for the purpose of giving it a somewhat more official backing. Naturally our colleague the Minister of Trade and Commerce (Mr. Stevens) would have been the proper person to go on the cruise, but he was unable to do so. May I express at this time the pleasure of hon. members on this side of the house, and I am sure those on the other side, that our friend who is one of the veteran members of the house has made such a complete recovery and is again with us. As the Minister of Trade and Commerce was not able to go at the time of the cruise it fell to my lot to take his place as best I could, and therefore it was my pleasure and duty on this mission to represent the Canadian government. At the same time the mission was in no sense of an official or governmental character. However, I did what I could to assist in achieving the object of the mission and to bring its purposes before all the countries we visited.

The original object of the mission was one of trade and good will. Some people have characterized it as a cruise of merchant adventurers to the southern seas. We went with the hope of increasing business with these various countries, but the sailing of the ship was arranged so that the delegation would be at Buenos Aires at the time of the opening of the British Empire exhibition by His Royal Highness the Prince of Wales. The object of our trip was to strengthen our friendly relations with the peoples of the various countries we visited and to endeavour to increase our business and trade with them. As I understood it my duty was to assist in every possible way to bring about that objective. When I made official visits to the President of Cuba, Uruguay, Argentina and Brazil I took some of the members of the mission with me and explained the object of our cruise; at the same time strongly urging on those presidents and other officials that they should organize return visits to this country in order that their business men might come to Canada and by meeting with us afford us the opportunity of returning the courtesies which were extended to our representatives. I also took the opportunity on behalf of the government and the people of Canada to extend to each of the presidents personally, as well as to the peoples of the countries they represented, our most friendly greetings. I am happy to say that we received a warm welcome everywhere and our greetings were reciprocated heartily by the president of the republic in which we happened to be.

May I say in passing that press men and photographers were very much in evidence in the South American countries. I have had many years experience in London, and hon. members know how many pictures are taken by photographers. I think I am safe in say-

ing, however, that there were more photographs taken per day in our South American trip than I had experienced before.

Mr. POWER: Undoubtedly that was due to the good looks of the delegation.

Sir GEORGE PERLEY: Certainly. I appreciate the remarks of the hon. gentleman, but I regard the interest of the press men and photographers as an evidence of confidence in and friendly feeling towards Canadians as a whole. We received an enthusiastic reception wherever we went. I cannot speak too highly of the welcome we received, and when they come here—we asked our South American friends to return our visit—I am sure we shall remember how well we were treated in their country and give them a warm welcome in return.

We stopped for a day at Montevideo, the capital of Uruguay. Several of the officials of the government and the city came on board to welcome us, and they had on the wharf a very fine band, which as we disembarked played O Canada and the Maple Leaf. That afternoon the President and the Minister of Foreign Affairs received the whole party and shook hands with each one. They extended most friendly greetings to the people of Canada. Unfortunately we were able to stay in Montevideo for only a few hours, our ship being late in reaching there on account of a severe storm. Montevideo is a delightful city, beautifully situated and well-kept, and we were very sorry not to be able to stay longer.

As I said before, Mr. Speaker, our visit was so timed that we reached Buenos Aires on the day before the opening of the British Empire exhibition. We remained there for ten days —our longest stay anywhere during our trip. There again we were welcomed in most friendly manner, and a great many people were on the wharf to greet us. The city has a very good municipal band, and the mayor of the city—the intendente as they call him —who was very kind to us in many ways, sent the band to the wharf and we listened to the strains of The Maple Leaf and God Save The King.

Mr. POULIOT: That is very good, but what about new trade relations?

Some hon. MEMBERS: Wait a minute.

Sir GEORGE PERLEY: I am coming to that if the hon. gentleman will allow me. It may be of interest to the house to know that we were met by one of the ministers of the Argentine cabinet, by a representative of the mayor, and also by Sir Herbert Gibson, the president of the British Empire exhibition. Next day, Saturday the 14th of March, the exhibition was opened. Everything was admirably arranged, the weather was favourable, and the surroundings were all that could be desired. I may add that the band of the Cameron Highlanders, which had been specially sent out from England, gave us some bagpipe selections at the opening ceremony. The president, Sir Herbert Gibson, made a few happy introductory remarks, and then His Royal Highness the Prince of Wales, who spoke in both English and Spanish, declared the exhibition open. His Royal Highness always speaks well, but my feeling was that he excelled himself on that occasion. He was followed by the President of Argentina, a soldier, General Uriburu. I understand that these addresses were broadcast more widely than had ever been attempted before, and I hope many members heard them here in Ottawa.

I may add that after the formal opening of the exhibition I had the honour of escorting the two princes and the president through the Canadian buildings, and I am sure the house will be glad to learn that the building and the exhibits were in every way a credit to the Dominion. For this very satisfactory condition of affairs our exhibition commissioner, Mr. Turcotte, is to be highly commended. It was my observation that the fact of Canada taking part in a British Empire exhibition in a foreign country was a concrete example of inter-imperial co-operation, and although the Canadian building was praised by everyone, I feel that our exhibit produced a much greater impression as part of a British Empire exhibition than if Canada had been there alone. The princes and the president went through our building and expressed themselves as very much pleased with the exhibit. In this way the Prince of Wales again showed that he was representing not only Great Britain but every part of the empire. A sergeant and three Royal Canadian Mounted Policemen were sent down to Buenos Aires to look after our building, and they created a very favourable impression. On the opening day when the princes and the president came through they were on duty and tactfully and courteously controlled the crowds that always besiege the Prince of Wales wherever he goes.

Perhaps this may be no news to hon. members, but it is worth while mentioning that by arrangements made through the telephone companies I was able to hold a conversation with the Prime Minister twice during our stay in Buenos Aires, and our thanks are due to those companies for the excellent and sat-

isfactory arrangement they made. On the day of our departure I also had a talk with the Canadian High Commissioner in London and I could understand him very well indeed.

Now, Mr. Speaker, my impressions of Argentina and its people are very happy indeed. It is a fine country, the climate is delightful, and Buenos Aires, or B.A. as they call it down there, is a well-built, well-kept city, twice as large as Montreal—something that I never realized before I went there—and the people are very friendly and desirous of increasing their trade relations with us in every way possible. The Canadian mission received a hearty welcome from everyone, from the president down. The Argentine chamber of commerce made arrangements for us to see all the interesting places in the city and surrounding country, including one of their estancias, or very large ranches, which are typical of the country. Just to show that His Royal Highness was looking after Canadians as he looked after other Britishers, one morning the Prince of Wales received all the male members of our mission at the residence of the ambassador and shook hands with them and said a few words.

As I said before, I have suggested many times that this visit should be returned as soon as possible, and among other messages, I had a telegram asking me to invite delegates and visitors to attend the world's grain exhibition and conference at Regina in July, 1932. This I did, in speaking one evening at a dinner, and I am glad to have received today a circular from the world's grain exhibition at Regina saying that an official mission has been appointed by the government of Argentina to represent that country at that exhibition. I consider this very welcome news, and the fact that these people are coming from so far away certainly adds to the importance of our exhibition.

So that you may have some idea of the feeling of the people of Argentina towards Canada, Mr. Speaker, I wish to refer to a speech delivered by the Minister of Agriculture and Commerce on the day we left Buenos Aires. I gave a luncheon that day to all the men of our mission and to prominent residents of Buenos Aires. They favoured me with about two hundred guests, including three members of the Argentine government, the British ambassador and the president of the British Empire exhibition. I proposed the toast to our guests on that occasion, which was seconded by my friend Colonel Woods of Calgary, and after the British ambassador said a few words in reply, the Argentine Minister of Agriculture and Commerce spoke in Spanish. He was good enough to send me a translated copy of his address, of which I should like to read a portion:

[Sir George Perley.]

There are events of which actors are seldom fit to appreciate the importance of and consequences; but on this occasion the visit of the Canadian mission is of such importance that it is not possible to hide the consequences involved.

Our countries, being placed opposite one another on the American continent, reaching both the inhabited zones nearing the extreme poles, it seems as if the long distance separating them would be a great hindrance to their comprehension, but the mission presided over by such an eminent personality as our host and the qualified character of our visitors, is the most striking evidence of our resemblance in many moral and material respects which closely bind us in mutual links.

The race so vigorously arisen in Canada, having the fundamental pith of the French pioneers, followed by the magnificent effort of the Britons, who further enhance the progressive striving, convey to us grace, merriment, intelligence and truthfulness, in such a manner that we heartily seek to call you our great friends the Canadians.

Then we left Buenos Aires, and on our way back we stopped at Rio de Janeiro. Ever since I was a boy I have heard about the beauty of the city and harbour of Rio, but I must say the reality surpassed all my expectations. The city is built on the sides of hills and in the valleys between; there is a wonderful land-locked bay twenty-five miles or more in length, which can very well claim to be one of the most beautiful harbours in the world. There we received another warm welcome. The Brazilian government were gracious enough to send a representative from the foreign office to the ship, and they made my wife and myself and Right Hon. Chief Justice Anglin and Mrs. Anglin the guests of the nation on that occasion. I never had a more friendly reception than I received when we called on the Foreign Secretary. The government, together with the Rio de Janeiro chamber of commerce gave us a luncheon, at which the Minister of Commerce and Labour occupied the chair. He proposed our health in English, and in order to show the feeling in Brazil with regard to Canada I am going to take the liberty of reading a portion of his speech on that occasion:

Members of the Canadian mission, your visit is particularly agreeable to us. We know that alongside of outstanding figures in politics, there are with us at this moment the most representative persons in Canadian finance, commerce and industry. We feel certain that Brazil cannot but gain by being known, if only by means of such a rapid visit, by a group of such distinguished men, men of intelligence and action.

If it be true that the international politics of our days more and more tend to economic factors, and become increasingly subordinate to

determinations in inter-commerce, it should be beyond doubt that infinite are the possibilities open for attachments between Canada and Brazil, geographically, two of the largest expressions of the New World, of completely diverse climate and production, and whose interests do not collide, but which really complement one another in all phases of world competition.

Commercial relations between Canada and Brazil are only in their beginning, the result so far only of private initiative. We can be, and we already are being, an excellent market for the placing of various manufactured products of your country. You have, besides this, wheat to bring to Brazil. In exchange we are in a position to furnish you with many products and raw materials essential to your economy. More than half the coffee which you consume is not yet supplied by Brazil. We have here, right now, a magnificent field for reciprocal benefits, capable of increasing the volume of our trade. Canadian rubber products already enjoy an excellent position in Brazilian markets. The facility which you could offer for the importation of our "Caoutchouc" appears of intuitive convenience and large are your possibilities to supply the consuming markets of Brazil with Canadian manufactured products.

The day before we left Rio de Janeiro we were all invited to pay the president a visit at his summer home at Petropolis, which is about forty-five miles from Rio and 2,500 feet above sea level. There the president and his wife received all the members of our mission and sent most friendly greetings to the government and the people of Canada.

On the way down we made a visit at Trinidad, and on the way back we stopped at Bermuda. They, like ourselves, form part of the British Empire, and needless to say they received us with open arms. I was sorry that we were unable to visit other British islands, but I may say that the sentiment in Trinidad and Bermuda is strongly favourable to Canada. They appreciate the fine service given them by the Canadian National steamships and the advantages which have accrued to them through the trade agreement entered into a few years ago. While I was there I was told that the West Indies and Bermuda were thinking of sending a trade commissioner to Canada to represent those islands. It seems to me this would be a very wise thing, and I hope it will be done in the near future.

In regard to the business part of this mission, as I said before, this was under the auspices of the Canadian Chamber of Commerce, of which Colonel J. H. Woods, of Calgary, is president, and of the Canadian Manufacturers' Association, the president of which is Mr. Elmer Davis. They had a very efficient secretary in the person of Mr. Wendell Clarke. Wherever we stopped the representatives of the chambers of commerce, of the merchants and of the boards of trade came on board to welcome our mission, and in nearly every instance escorted the mission to a meeting specially convened for the purpose.

On the way south the mission held a meeting at which committees were appointed to make reports on various aspects of trade and business relations as they presented themselves on the trip. They gave a great deal of consideration to this matter, and on the way back, at a special meeting, they put in their reports, which were then referred to the Canadian Chamber of Commerce and the Canadian Manufacturers' Association. The reports have been sent out in printed form, along with an excellent condensed report signed by these two presidents, Colonel Woods and Mr. Davis.

I am not in any way responsible for these reports, and they are in no sense official. At the same time, however, they have been considered and approved by these two strong organizations, and they contain a good deal of useful information and many wise suggestions. I believe that members of the house have all received copies of the report made by the Canadian Chamber of Commerce with respect to the mission. I shall read a part of the general report, and if any hon. members are not in possession of copies I shall be glad to lay two or three of them on the table, so that they may study their contents. I quote the following:

> The delegation is convinced that both from the point of view of good will and practical business the mission, which it is believed is the most important one of its kind ever leaving the Dominion, has been a very outstanding success. The people of Cuba, Uruguay, of the Argentine, of Brazil, of Trinidad and Bermuda, gave ample evidence of their desire and even eagerness to increase their commercial relations with the Dominion of Canada. This desire was particularly manifest in the Argentine and was prompted, not only by the visit of the mission itself, but also by the very excellent exhibits of the products of the Dominion, displayed in the Canadian pavilion at the British Empire trade fair at Buenos Aires.
>
> The delegation was impressed with the very great hospitality and kindness of the peoples of the countries visited. The members of the party met the nationals in the different countries, for the most part as strangers, and said au revoir as friends. From presidents, ministers of state, governors, mayors, presidents of chambers of commerce and the business community generally, the mission received the most cordial of receptions and was welcomed in a fashion which left no doubt as to the depth and extent of the kindness and friendliness offered the Canadians.
>
> The delegation are of the opinion that out of the total import trade of Latin America, amounting to about two and a half billion dollars a year, Canada's contribution of thirty-

nine million dollars can be substantially increased and that out of the three billion dollars which are exported from Latin America, Canada's purchases of some twenty-nine million can be profitably expanded.

The mission are further of the opinion that in the developing of Canada's trade with Latin America, emphasis should be laid, not only on our exports thereto, but also on our purchases therefrom. Even though some of the products of the Argentine, for instance, are in competition with those of Canada, much could be done to improve our present commercial situation with these countries by deflecting some of the trade direct to Canada on Canadian steamship lines, which now passes through American ports.

The mission have noted with gratification that already some fifteen definite agencies or representations have been established as a result of its visit.

The delegation cannot speak too highly of the splendid work which is being done for Canada by the Canadian banks established in the various countries to which the mission went. These great banking institutions of Canada are proving themselves veritable spearheads for Canadian commerce.

The delegation would also recognize the contribution which the trade commissioner service is making to the promotion of Canadian export trade.

The delegation are of the opinion that a knowledge of Spanish in particular should be more widely acquired by young men in our universities and export companies, and would therefore urge upon the educational authorities of the Dominion the desirability of emphasizing this study in their curricula. Just as Canadians prefer to do business in English, so the Argentines prefer to conduct correspondence and interviews in Spanish, and the Brazilians in Portuguese.

The desirability of Canadian producers combining and standardizing for export was clear to the mission, when such exporters, as individual companies, are not themselves in a position to establish on a satisfactory basis a strong selling and advertising organization in the Latin American countries.

The mission have noted with considerable interest that the British West Indies and Bermuda are giving immediate attention to the appointment of a trade commissioner to Canada, whose appointment is being hastened by the visit of the mission itself.

The mission was interested in noting that the government of the Argentine has approved in principle the plan to build during the next three years nine hundred grain elevators at six hundred points, the program to involve an expenditure of some twenty million dollars during the next three years, and that Canadian contractors are making a bid for this business.

The agricultural committee of the mission see many advantages to be gained by an exchange of breeding stock and cattle judges between the Argentine and Canada, and recommend that steps be taken immediately to bring about this desired objective. The agricultural committee further point out the demand in the Argentine for the better quality silver fox fur pelts of Canada; the opening for Canadian live poultry in the Argentine and Brazil; and the market in Trinidad for bee supplies from Canada. It may be noted that Trinidad proposes to exhibit its agricultural products at the Canadian National exhibition this year.

The foregoing, as I have said, is from the report of the mission. Now, I think I am safe in saying that we accomplished the object of our mission. We established friendly relations and got into personal touch not only with prominent people in these South American countries, but with the governments themselves.

We all realize how helpful it is to know people personally, and how much easier it is then to do business with them. It is true we found them all prepared to welcome the mission most heartily, as evidently they had already formed a good opinion of Canada. However, our trip enabled the mission and its members to get into personal contact with the officials and business men of the countries we visited, and I feel strongly that our manufacturers and merchants should be able to increase their business in South America by taking prompt advantage of the impression that has been created there by the mission.

Several of the members obtained orders and made contacts in the various places visited, and this should certainly be followed up not only by them but also by other business firms in Canada. We must always bear in mind, however—I cannot emphasize this too strongly—that there is keen competition for the South American market, and to obtain the best results the principals should go down there rather than send representatives. They should go themselves for the purpose of meeting these people personally, and I am sure that business would be much more likely to result from that course.

Our trade commissioners will be found helpful in every way, and it is a fact that the Canadian banks and insurance and light companies have by their business capacity and fair dealing created an atmosphere favourable to all Canadians. We had on this trip 150 Canadians. All on board were Canadians with the exception of our friend Mr. Pratt, who is president of the Newfoundland board of trade. We were happy to have him with us, and we got along as though we were all from the same country. This led me to hope that some day or other the desirable result might be brought about, of Newfoundland and Canada becoming one, as it seems to me they really ought to be.

These Canadians on board were a very representative lot: they were of both French and English extraction and they created a good impression wherever they went. We travelled for six or seven weeks on this ship and we got along very well together, and I believe the whole party came back to Halifax

feeling that they had had a most interesting and useful trip. May I here express most grateful thanks to Colonel Woods, Mr. Davis, and Mr. Robb, the vice-president of the Canadian National Railways, and all the other members of the mission for their unfailing kindness and courtesy throughout the entire trip to Lady Perley and myself.

I was particularly impressed with three things during this mission. In the first place, I cannot speak strongly enough of the wonderful welcome received everywhere. The people of South America are very friendly to Canada and desire closer relations with us, and when they make a return visit, which I hope will be very soon, we must and will give them a very hearty welcome. Then it was brought home to me quite forcibly, that the British Empire should keep together as a commercial entity as well as from sentiment, and there is no doubt that the favourable impression created in the Argentine was increased by the fact that Canada was there at this exhibition alongside the mother country. Everyone felt that our building and exhibit was a marked success, but I do not think it would have been as successful if it had not been part of the British Empire exhibition. I was impressed also with the fact that we Canadians can do almost anything when we work well together. On this voyage we had representatives from all parts of this country, every race and every political party was represented, but no question of party affiliation or birth or creed was ever discussed. We pulled together and we accomplished what we went for and I believe we created a most satisfactory and favourable impression in South America.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I do not know that the remarks of the right hon. minister (Sir George Perley) call for any acknowledgment from this side of the house, but inasmuch as he has given such an interesting account of the mission on which he was the representative of the government, I may be permitted to say a word.

As the minister has mentioned, the trip to South America and the West Indies was in the nature of an unofficial mission. It was not a government mission. As, however, the government considered desirable the appointment of a representative thereon, it is fitting that this House of Commons should have from him some account of the journey, and its significant events and results. It is proper also that fitting acknowledgment should be made of the many courtesies extended to the mission by the different countries visited, and all hon. members will appreciate the words by which the right hon. minister has expressed on behalf of Canada his appreciation of the courtesies extended to those who accompanied him on this trip.

While we are dealing in pleasantries, may I say that this is the first opportunity I have had since my hon. friend returned, to extend to him from this side of the house congratulations upon his having been made an imperial privy councillor in recognition of his many years of public service to Canada and service to other parts of the British Empire as well. He is one of the oldest and most respected members of this house, and we on this side join very heartily with his friends opposite in congratulating him upon this high recognition of long and useful public service. We trust he may be spared many years to continue to enjoy that distinguished honour.

In listening to my right hon. friend, I was hoping that during the course of his remarks, he would indicate to us whether or not he had been able, as the representative of the government, to indicate to the various countries visited wherein the policies of the government of which he is a member might serve to encourage or facilitate trade between those countries and Canada, but I did not hear any reference to the trade policies of hon. gentlemen opposite. He did refer to the address by which His Royal Highness the Prince of Wales opened the British Empire Exhibition at Buenos Aires, and his mention of that speech with my recollection of it, caused me to send for a paper which contained the cabled account. I think I might read to my right hon. friend a paragraph from that address. It is contained in a Canadian Press despatch dated Buenos Aires, March 14, which appears in the papers of March 16, and reads as follows:

> "Failure to recognize trade as interchange; obstacles placed in the way of reciprocal trade, are perhaps the main causes of the world's present troubles," declared His Royal Highness the Prince of Wales in his speech formally inaugurating the great British Empire trade exhibition here to-day.

That in a word was the burden of the thought contained in the very excellent address made by His Royal Highness in opening the exhibition. As I remember the address, it expressed from beginning to close a desire on the part of His Royal Highness that all nations should create an atmosphere of good will which would foster the interchange of goods between each other, and that the more there was in the way of interchange of commodities between nations the more quickly would the world's great problems of unemployment and the like be relieved. His Royal Highness went on to say that the atmosphere

of good will which brought about an interchange of commodities, and which my right hon. friend has recognized as being so important, was best created by removing many of the obstacles to trade. The most significant and important of all such obstacles to trade are tariff barriers.

My right hon. friend represents an administration with a trade policy so-called "Canada First," by which is meant that nothing is to be admitted into this country from another country which can be manufactured or produced in Canada, if a tariff barrier can be placed sufficiently high to keep it out. If that is to remain the policy of the present administration, it might as well save its money when it comes to sending missions abroad, because a policy of that kind is diametrically opposed to that saner policy which the right hon. gentleman has alluded to so approvingly as having been enunciated by His Royal Highness the Prince of Wales. I commend to the Prime Minister (Mr. Bennett) the reading of the opening address of His Royal Highness the Prince of Wales at the British Empire Exhibition, and the application, as between the different nations with whom he hopes this country may do business in the future, of the policy therein laid down.

Mr. MANION: Is that why Great Britain is so prosperous just now?

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I at least can speak for myself in congratulating the right hon. gentleman (Sir George Perley) on the excellent description he has given of the very pleasant social time the mission had in South America. He seems to have remembered every band which greeted them on every wharf, and even the tunes played. It would be unfair on my part to criticize the mission because it did not offer to this country any hope of the development of trade relations outside of the fact that more friendly social relations have been established. However, I did notice in one of the documents from which the right hon. gentleman has quoted, that there was a proposal made to improve the trade between the Argentine and this country by the shipment of more manufactured goods to the Argentine while we were to take in return therefor—what would you imagine? Beef, hides, and casings, for the making, I presume, of sausages. That is the sort of thing that was suggested should be done in this publication from which the right hon. gentleman quoted. If I remember the last election correctly, and the campaign speeches of hon. gentlemen opposite, they contended that we were importing far too much of these commodities now, and that we should cut down our importations. If the net result of a mission of this kind is to be that we are still further to increase our importations of animal products, importations which were protested against by the present administration during the last election, then I fail to see the value in the mission. However, I take it that this mission will have better effects than that.

In regard to the address just delivered to the house by the right hon. leader of the opposition (Mr. Mackenzie King), may I submit that, while his remarks were very pertinent, they might more properly have come from this corner than from himself. May I suggest that if it be so desirable to improve trade relations on a basis of reciprocal trade agreements, then it is too bad that greater steps in that direction were not taken during the last nine years. I am sure that my right hon. friend the present leader of the opposition must have known that he was always certain of the support of this corner of the house in any effort that he ever made or might have made to improve trade relations with other countries.

Mr. YOUNG: What about butter?

Mr. GARLAND (Bow River): Yes, as regards butter, too, and anything else you like. I am afraid that my hon. friend will find that before this house gets through the butter will have turned a little rancid.

I do not think there is in this house a more courteous or more kindly man than the right hon. gentleman who has just delivered this travelogue to us (Sir George Perley). He is one of the pleasantest personalities in the house, and the house may well accept from him his representations in regard to the friendly relations that exist; but let us hope that he has come back imbued with the spirit of the words just quoted by the leader of the opposition, the words that came from the mouth of the Prince of Wales at the opening of that exhibition, and that the efforts of his administration, modified by his now maturer advice, will be in the direction of the abolition of trade barriers rather than in that of their continuation.

Motion agreed to and the house went into committee of supply, Mr. Tummon in the chair.

DEPARTMENT OF TRADE AND COMMERCE

The Copper Bounties Act, 1923, administration of, $1,000.

Mr. MACKENZIE (Vancouver): What is the reason for the increase of $500 in this item?

Hon. H. H. STEVENS (Minister of Trade and Commerce): This item of $1,000 is to pay the salaries and expenses of two inspectors. Usually, in both cases, it is an official of the customs or excise branch. Their salaries and expenses amount to three or four hundred dollars each to make an inspection of the two plants which are producing the copper upon which the bounty is paid under the Copper Bounties Act of 1923.

Item agreed to.

The Hemp Bounties Act, 1923, administration of, $500.

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

Mr. STEVENS: The same explanation virtually as I gave with regard to the previous item.

Mr. COOTE: Are there any bounties being paid under this act?

Mr. STEVENS: Only a comparatively small amount. The amount paid in 1930 was $3,483.

Mr. COOTE: Where is this hemp grown?

Mr. STEVENS: A certain amount in Manitoba and some in Ontario.

Mr. SPENCER: Has the minister given any consideration to giving a bounty on wheat?

Mr. STEVENS: We will take that into our consideration.

Mr. VENIOT: What is the quantity of hemp raised in Canada?

Mr. STEVENS: I have not that information here. It is raised in scattered and comparatively small quantities. The idea of the bounty under this act was to encourage its production.

Item agreed to.

An act to place Canadian coal used in the manufacture of iron or steel on a basis of equality with imported coal, administration of, $1,000.

Mr. STEWART (Edmonton): What is the explanation of this item?

Mr. STEVENS: This is to pay the salary of a supervisor of payments in connection with the administration of this act.

Mr. VENIOT: Is that the act of 1930?

Mr. STEVENS: Yes.

Mr. GARLAND (Bow River): What is the total amount paid out under the act in the attempt to equalize the competition?

Mr. STEVENS: The total amount paid out in 1930-31 was $135,209.

Mr. POWER: How was that amount distributed by provinces?

Mr. STEVENS: It went to one province, Nova Scotia, and to one company.

Mr. NEILL: Upon what basis were the payments made?

Mr. STEVENS: On a basis of 49½ cents. The recipient was the Dominion Iron and Steel Company.

Mr. POWER: When did this act come into force?

Mr. STEVENS: I cannot say just when it came into force, but it was assented to on May 30, 1930.

Mr. VENIOT: The intention of this act was to place the Nova Scotia steel works on a parity with the steel works in upper Canada, which use bituminous coal imported from the United States, upon which they got a drawback. During the election I understand that the present Prime Minister, then leader of the opposition, brought this matter up at a meeting at Sydney, and if he did not give a direct promise, at least he left the impression that something further would be done to assist the miners in the Nova Scotia coal industry. Perhaps it might not be amiss to ask whether or not it is the intention of the government to go further in assisting the coal industry in the province of Nova Scotia?

Mr. STEVENS: At the moment I cannot give my hon. friend a direct answer. When the budget is brought down certain matters will be disclosed which will cover the policy of the government with regard to the coal mining industry. At this time it would not be proper for me even to intimate the nature of that policy.

Mr. VENIOT: I can readily understand the position taken by the minister. I know that perhaps it is not the duty of the minister to give a definite answer but it is rather unfair that we should be asked to deal with this item at the present time and to pass it without knowing something more about it. May I suggest that the item should be allowed to stand until such time as we learn the policy of the government concerning the coal industry of Nova Scotia.

Mr. STEVENS: I have no objection to that. It is a very small item but there is no objection if the hon. member wishes it to stand.

Mr. VENIOT: It is not the smallness of the item which attracts my attention. There is a greater principle at stake than the mere voting of a salary, and I would suggest that the matter stand for the present.

Item stands.

British and foreign news service, $32,000.

Mr. HANSON (York-Sunbury): To whom is this sum paid, and does the government think it will receive value for the expenditure?

Mr. STEVENS: The item is paid and has been paid for a great many years to Reuters. I think Reuters' service is recognized by all as a very excellent international news service. There is a definite arrangement in connection with this service which I shall read if it is the desire of the committee:

> The contractors agree to transmit from Canada by cable for distribution in the United Kingdom an average of 10,000 words monthly; and in addition to maintain its present cable service; to furnish the service of mail news calculated to maintain interest in Canada and Canadian activities, such news to be distributed by mail in the United Kingdom, Australia, New Zealand, South Africa, South America, West Indies and India. For the purpose of carrying out these services the company will maintain in Canada a special representative who will devote his whole time to the preparation and editing of special articles, interviews, etc.

This is a useful and valuable service to Canada. I presume there might be some criticism as to whether or not the amount is too large or too small. Generally speaking however it is considered that the service has been good. The list of trade and financial publications in Great Britain regularly receiving Reuters special trade items from Canada comprises nearly two sheets of foolscap containing about 75 names of publications in Great Britain alone. The extent of these publications would give an idea of the service in Great Britain, in addition to the services rendered in other countries. I have carefully investigated the matter, and my judgment is that the service is worth while and that Canada receives value for the services rendered by Reuters under the present item.

Mr. HANBURY: Is Reuters a Canadian company, and if not is there not a Canadian company which could render the same service?

Mr. STEVENS: With some hesitancy I would answer that I doubt whether there is a Canadian company equipped like Reuters to handle a similar service. The point is not that Canadians are not able to perform the task, but that the service of this great news corporation has grown for many years. It is world wide in character, and it would take a Canadian company a great many years to build a reputation equal to that enjoyed by Reuter. Therefore I would say that at the moment under these circumstances there is no Canadian concern which could give the service rendered by Reuters.

Mr. EULER: How many agencies have they in Canada?

Mr. STEVENS: I think my hon. friend will know from his experience that the method followed is this: Reuters maintain a head office in Ottawa, and have news agents or sources of news in every city throughout the country. I suppose they have agents in all centres of consequence so far as population or activity is concerned.

Mr. EULER: I am quite sure that the service is maintained only in the larger cities.

Mr. STEVENS: They have what I presume they call correspondents. For instance, newspaper men working in our cities on the staffs of the larger dailies or weekly papers, and the men in some smaller communities would receive a small fee for news supplied, according to the size and importance of the district represented. It is my understanding that they would receive a fee for acting as correspondents in the Reuters service.

Mr. EULER: Have they any relation whatever with the Canadian Press service?

Mr. STEVENS: I cannot answer that, in so far as their personal corporate relation with the Canadian Press is concerned.

Mr. EULER: I refer to business relations?

Mr. STEVENS: I understand the relations between the two services are most cordial.

Mr. VENIOT: There is cooperation and cordial relationship.

Mr. RINFRET: Is the whole amount paid to the same company?

Mr. STEVENS: Yes.

Mr. HANSON (York-Sunbury): Does the government exercise supervision over the character of the matter sent out by Reuters? I do not refer to censorship. I remember attacking this item when the late Mr. Robb was Minister of Finance. When the item was attacked he moved to strike out the vote, but by some means or other at a later stage in the session he moved to reinsert it, and accordingly the vote was reinserted. The ground I took at that time was that Reuters were sending out propaganda. I would like to know if this government—

Mr. EULER: They will send out different propaganda now.

Mr. HANSON (York-Sunbury): I would like to know if the government exercises any supervision over the matter sent out by Reuters?

Mr. STEVENS: I can assure my hon. friend that whatever might have happened in the past, no such propaganda would be sent out now.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: We believe that the service is a good one. I might explain to my hon. friend that during the regime of the late Mr. Robb the item was reinstated because there was a contract with the company. For technical reasons reinstatement was made. While the government does not pretend to edit the despatches, yet through the officials of the department we keep in touch with the matter sent out, and there is a sort of general oversight. The work has been carried on to the satisfaction of the department. The service is much wider than that provided by this vote. The vote represents merely a subsidy.

Mr. HANSON (York-Sunbury): Is it done under contract?

Mr. STEVENS: I have before me a statement showing the work done by this organization from the years 1923 to 1931. This statement shows the number of items sent out which have been clipped from the press by our own service and despatched to the different departments affected. I will read only the totals so as to give an idea of the service rendered: In the years 1923 and 1924 there were, in round figures, 4,000; in the next year there were 12,000; in the next year 9,300; the next year, 14,000; in the next year, 13,500; in the next year, 10,000. In the two following years there were 10,000, and in the following year, 9,500. These figures show roughly the services rendered. Some despatches were short some were long, according to the importance of the items.

Mr. HANSON (York-Sunbury): What are the terms of the contract with Reuters, and over what period does it extend?

Mr. STEVENS: I have here a synopsis of the contract.

Mr. HANSON (York-Sunbury): I just want to know the facts.

Mr. STEVENS: The service rendered runs about 200,000 words during the year.

Mr. EULER: Under the contract, Reuters specially bind themselves as to the measure of the services to be given?

Mr. STEVENS: Yes, the contract calls for 10,000 words of cable news monthly, but the actual service much exceeds that limit.

Mr. McINTOSH: Is that news service confined to the countries of the British Empire?

Mr. STEVENS: The contract specifies the British Empire, but the news frequently goes to other countries.

Mr. EULER: Must the news be of a character to promote business, or does it cover whatever happens in this country?

Mr. STEVENS: All of the news is calculated to benefit inter-empire relations in the way of trade.

Mr. EULER: Some is of very doubtful value in that connection.

Mr. POWER: Did the service include a synopsis of the Prime Minister's speeches during the last election?

Mr. STEVENS: No, I do not think they were sent.

Mr. CHAPLIN: A few years ago there was another news service included in this vote, and it had been carried on for fifteen years to my own personal knowledge, but a couple of years ago, owing to attacks made on it in this house, it was abandoned. I think it is pretty near time to abandon this one also.

An hon. MEMBER: Make a motion.

Mr. CHAPLIN: You people on the other side have supported this vote for so long that you have got tied up to the situation and consequently you are sitting tight. I have taken the same stand before on this item; I believe that it should be abandoned, and I am not afraid to say so now. I am not going to move any motion; it is up to you people opposite, if you want a motion, to move one. I am not afraid to attack the item, because I think it should be abandoned just for the same reason that the Associated Press service was abandoned. I do not believe that it is good business to continue this vote. If it is a matter of news, I think the people who want the news should pay for it and not the country.

Mr. STEWART (Edmonton): Mr. Chairman, I take issue with the hon. gentleman who has just spoken (Mr. Chaplin). I think this is a very valuable service. If he would pay a little closer attention to the news that is sent from Canada throughout the empire, I am inclined to think he would consider the money was well spent. When the attack was

made on the vote before Mr. Robb offered to withdraw it, but when we made investigations we found that we would suffer very considerably in trade and otherwise if the news service was abandoned. So far as I am concerned I am prepared to support the vote.

Mr. SPEAKMAN: The question I was about to ask has been largely answered, but I would suggest that the minister, being comparatively new to his office, might look very carefully into the character of the news supplied, and ascertain that the news thus subsidized—because it is subsidized—gives an absolutely impartial and accurate view of the country as a whole, and does not reflect the departmental or governmental view of things as they would wish them to be. This is rather an important matter, but in view of the assurance of the minister that the only control the government exercises is to see that unbiased news is furnished, I have no objection to the vote; but I do have very strong objection to any form of subsidized news service which may convey a picture not of conditions and opportunities actually existing, but so coloured as to give any impression which the government may wish created in the minds of those who read such news. As a matter of fact we have received too much news that gave an absolutely inaccurate picture of actual conditions and opportunities in Canada for intending immigrants. I hope that the supervision exercised by the minister will be such that the news service furnished under this vote will give an accurate picture of Canadian conditions and events.

Mr. MARCIL: It is all very well to have governmental control, but I think there should be some way by which the house could be informed of the character and the nature of the news sent out; for instance, a statement might very well be laid on the table of the house; then members would be in a better position to grasp what is being done.

Mr. STEVENS: When my hon. friend rose I was about to suggest that we would lay on the table half a ton, if you like, of these clippings covering a certain period, and members could themselves look over them. May I add this—and it is prompted by the remark of my hon. friend from Red Deer (Mr. Speakman)—that while we were in London at the Imperial conference last autumn I had an opportunity every day of seeing the items of news supplied by Reuters. These news items were supplied officially to the trade commissioner's office in London day by day; they were not specially designed for us. I found them exceedingly valuable and useful in giving me a picture of Canadian trade conditions. I am not speaking now of social news or anything of that character whatever. The news items had to do purely with financial and trade affairs, and they gave me as fine a picture of the Canadian situation as I ever have received at any time from any source. I would hesitate to agree that this service has not been well-handled. The official in charge at Ottawa, Mr. Grange, is a press correspondent of very wide knowledge and experience, with whom most of the members of the house are acquainted, and we are satisfied that the work has been properly carried out. May I also add that the department has the opportunity of examining these items, and throughout the years I question if there are any to which any serious exception could be taken.

Mr. VENIOT: When does the contract end?

Mr. STEVENS: The contract with Reuters is dated June 28, 1923. It was authorized by order in council of July 27, 1923, P.C. 1391. The service was for three years, terminating July 31, 1926. The contract was extended twice, the first time by order in council of July 28, 1926, P.C., 1181, and later by order in council of October, 1926, P.C. 1583. The latter extension was from October, 1926, to the end of the fiscal year. Then a new contract was entered into in 1927 for a three year period, and another contract has been entered into for a three year period from April, 1930, so it runs until April, 1933.

Mr. VENIOT: In view of that statement, while perhaps the discussion is all right to show some disapproval of the continuation of the contract, if we are to operate under the principle of the infallible justice of the crown laid down by the right hon. Prime Minister, how can we possibly cut down this amount?

Mr. HANSON (York-Sunbury): We cannot do it; hon. members opposite have tied us up for three years more.

Mr. VENIOT: No, I think the hon. member is wrong. What was the date of the last renewal?

Mr. STEVENS: April, 1930.

Mr. VENIOT: Then the government of that day must have thought it was proper. They must have looked into the matter carefully, and I do not think the hon. member for York-Sunbury would want the present government to repudiate a contract made under the old government, no matter how extreme he may be in his political views. I

am sure he is fair enough to admit that the contract having been assented to for three years more, the Minister of Trade and Commerce must have looked into the matter, and he has stated to this committee that he thinks it is a right and proper contract and that the service is good. I do not think it is possible to reduce the amount, although I should like to move that the amount be cut to $1 in order to give the hon. member for Lincoln a chance to vote against his own party and show his independence.

Mr. CHAPLIN: The hon. gentleman is very keen to have somebody else make a motion. Now he proposes to make a motion in order to give me a chance to vote. Let me tell him that this contract was made in April, 1930, while this house was in session. Why did not the then government give us a chance to speak about it in the house, without passing an order in council?

Mr. DONNELLY: I should like to ask the Minister of Trade and Commerce if the contract was not renewed in July, 1926?

Mr. CHAPLIN: The contract was read just now by the minister; it was renewed in April, 1930.

Mr. DONNELLY: But I understood there was a contract renewed in July, 1926.

Mr. STEVENS: It was extended for two months in July, 1926.

Mr. DONNELLY: Who was the Minister of Trade and Commerce at that time?

Mr. STEVENS: I was not.

Mr. DONNELLY: I should like an answer, please; who was the Minister of Trade and Commerce then?

Mr. STEVENS: The Minister of Trade and Commerce was the hon. member for Lincoln, I think, and I want to say that he was undoubtedly a very efficient minister. The contract was extended at that time for two months.

Mr. VENIOT: I should like to ask, since the hon. member for Lincoln and I have crossed swords on this matter, why at that time he did not condemn it and why he renewed it by order in council. Why did he not give us an opportunity to fight it, since we were then in opposition? It is all very well for the hon. member for Lincoln now to say that we should have brought the matter up in the house, but he did not give us an opportunity to say anything about it. I can hardly find an expression to describe the attitude of the hon. gentleman at that time. Here he comes in and condemns the former government for having renewed the contract under order in council, when the first contract was made by his party years before. When the shadow government came in and he was the shadow Minister of Trade and Commerce, by order in council he renewed the contract. To-day he gets up and opposes the very work which he initiated or renewed at that time, and he is trying to throw the burden over on to us. This contract was initiated by the Conservative government.

Mr. HANSON (York-Sunbury): The hon. gentleman is not quite right. This contract was never initiated by a Conservative government; it was initiated by the present right hon. leader of the opposition in 1923. Let me tell the hon. gentleman that there is quite a difference between renewing a contract for two months, a contract which had been in existence previously, and renewing it for a longer period when the house is in session. The hon. member for Lincoln, in the middle of an election, renewed an existing contract for a short time, to show that the matter was under consideration. He did take it under consideration. The Liberal government renewed this contract for three years at a time when this house was in session, and parliament was never consulted for a moment about it. That is the difference between the two positions.

Mr. CHAPLIN: Mr. Chairman, there is one thing sure; if in 1926, as has been stated, I renewed the contract, I did it for two months and the reason was plain enough. I was then just as much opposed to it as I am to-day, and I would not extend the contract beyond the possible life of the government. Had I been back in that office later on, the contract never would have been continued. I did the proper thing; I only made the extension for two months instead of for three years, as the late minister did.

Mr. EULER: There is not very much use in debating the question now if the contract has no clause providing for cancellation. I should like to ask the minister if there is any provision for cancellation. Before he answers that, I should like to say that I have very grave doubts as to the efficacy of the work which is done by Reuters. I question very much whether we get $32,000 worth of work out of the service. I may say to my hon. friend the minister that my experience of the value of the service rendered does not quite coincide with his idea. I had the opportunity of being in London not quite two years ago, and I also had rendered to me the type-

written service from Reuters' agency. It seemed to me a very meagre service indeed. It had some news, but none of very great importance, and while I say this with some hesitation, it seemed to me that very often the news was old and of no very great use to anyone. If the contract could be cancelled and anyone would make the motion, I would support it. In fact I would not hesitate very long to make the motion myself. I would move that it be cancelled, or the amount reduced to $1. I do not see much value in it.

Mr. STEVENS: I have not the contract here, but the memorandum I have before me indicates that it is a three-year contract. whether or not it has the usual provision for cancellation I am not able to say definitely.

Mr. DONNELLY: I should like to find out from the Minister of Trade and Commerce when, after July 28, 1926, the contract was renewed again, and what minister renewed it.

Mr. STEVENS: I gave these renewals a few moments ago. The renewal from July, 1926, was for two months. Then there was an order in council passed on October 12, 1926, extending the contract from October 1, 1926, to the end of the fiscal year. Then a new contract was entered into on April 1, 1927, for three years, and a third contract was entered into on April 1, 1930.

Sir EUGENE FISET: I should like to ask the minister if he knows whether the ex-Minister of Customs actually did protest against the renewal of the contract then.

Mr. RINFRET: Is Reuters' service distributed freely on the other side, or is that included in the general service which they distribute, provided one subscribes to it? The newspapers that have the right to the service in Canada have to pay quite an amount for it. It would seem that the agency is in the happy position of being paid to distribute news from this country, and is also paid abroad by those who receive the news—that is, if it is paid abroad. Is the service distributed gratuitously abroad?

Mr. STEVENS: Speaking from knowledge of the way in which these matters are handled generally, I should say that those who receive the service subscribe. This is in the nature of a subsidizing of that service, in addition to whatever fees they may secure from their subscribers overseas.

Mr. RINFRET: That means, then, that we are paying Reuters to distribute abroad news for which the people in other countries are willing to pay anyway. It either means that, or it means that Reuters add to their service something which is not of much use, and for the distribution of which we have to pay them as a sort of advertisement. I do not think, myself, that the arrangement is a very happy one. I am not concerned as to whether my good friend or someone else is responsible. We should never get anywhere if we stopped always to ascertain responsibility in the past. I am interested in the item before us to-day. From what has been urged on both sides of the house I am inclined to support any motion with reference to the matter. I will not offer a motion myself, but if one were submitted I would vote for it.

Mr. STEVENS: Before the item is condemned it ought to be examined carefully. I may say candidly that I have given it considerable thought and have examined the material, though perhaps not as completely as one would wish; the time has not permitted that. However, I have looked into it to the point of satisfying myself that the service is a good one, and there is no doubt that Reuters would not furnish the cable service to the extent they do were it not for this subsidy. It is a difference perhaps between a letter service and a cable service, and before taking steps to cancel it I think we ought to be very sure of the grounds upon which we do so. We ought to make sure that we are not doing Canada a disservice—that is, to the trade news of the Dominion, because that is the character of news which the service renders, as a perusal of the journals affected clearly demonstrates.

Mr. CHAPLIN: As a matter of trade news, I do not consider it worth a copper. I am perfectly willing to examine the case upon its merits. Let the minister lay on the table of the house a report of the services given. He says he has clippings. Let us examine the matter on that basis and then judge for ourselves. I have done this already and I know what it is; and, as I said before, I do not think it is worth a plugged nickel.

Mr. JACOBS: The point that concerns me at the moment in the discussion of this item is the responsibility, moral or otherwise, of this government with respect to the contract which has been alluded to here. After all, this government has been in power only eight or nine months, and if it gets abroad that they are beginning to repudiate their liabilities so early in their history, and if that is circulated by the Reuter agency, it may not do us much good. For that reason, if only to maintain the credit of the govern-

ment I think we ought to allow the item to pass this time. I have a great deal of respect for the opinion of my hon. friend from Lincoln; as a rule he knows what he is talking about when it comes to trade matters. He was in the department, it appears, before the present minister, and when he speaks in the assertive way in which he does this afternoon I am sure he is aware of something which perhaps the house ought not diplomatically to know. I am against the principle—I do not know what my views were when my party was in power—of paying newspapers to circulate news. It at once becomes tainted when the public gets to know about it, and, to use the expressive words of my hon. friend from Lincoln, it is not worth a brass farthing or a plugged farthing—

An hon. MEMBER: A plugged nickel.

Mr. JACOBS: Plugged nickel, was it? We have in the city of Ottawa representatives of great news-gathering agencies on the other side. We have a representaive from the London Times, a representative from the Manchester Guardian, and representatives from other newspapers overseas. Are we paying those agencies anything for publishing the news they send abroad? I know they are being maintained here as well as or perhaps better than Reuters' representative. Surely if we can pay one agency we should pay the others. Any news published on the other side from the representative of the Manchester Guardian, of the London Times, of the Morning Post, or of any of those newspapers will have as wide a circulation as that disseminated by Reuters agency, and it is free from the suspicion that it is paid for. I am against the prinicple of paying some people to do work for us while others are doing the same thing for nothing. Either all or none ought to be paid. I trust, therefore, that when the contract expires—and, I was going to remark, when the Minister of Trade and Comerce now in office has to deal with the matter again, which God forbid—the fact will be taken into consideration that there was determined opposition in the house, not only from the hon. gentleman's predecessor but from others on this side, to the extending of the contract for any further term. After all, $32,000 a year is a tidy sum of money; we do not easily pick it up these days. If we want to borrow money just now we have to pay 5 per cent for it. Surely this is a case where we can take, so to speak, a newspaper holiday and discontinue this item until better times come. When the time is opportune we can consider it. In the meantime, however, I am not in favour of cancelling the contract, because we have a moral responsibility in the matter; though on principle I am against it.

Item agreed to.

The Canada Grain Act, including management, operation, maintenance and equipment of elevators, administration of, $2,681,000.

Mr. BROWN: Does the minister anticipate any amendments to the grain act this session?

Mr. STEVENS: No, I think not. There was a very complete revision of the act recently, and what we might call the new act has been in operation only since the close of the last crop year. It is therefore impossible as yet to determine whether the new provisions are going to work successfully or otherwise.

Mr. BROWN: There have been no reports in regard to the operation of the new act?

Mr. STEVENS: No. There cannot very well be any satisfactory reports until the end of the present crop year, which will be July 31.

Mr. LUCAS: Have there been any complaints with regard to the operation of the revised act?

Mr. STEVENS: No.

Mr. VALLANCE: I notice a reduction in the item of $203,048. As I remember the revision to the grain act made during the last session of parliament, it seems to me that the operation of the new act should cost more if that supervision were given which those who sat in that agriculture committee expected would be given under the new act. How does the minister expect to make a saving of $203,000?

Mr. STEVENS: All the provisions of the new act are being administered satisfactorily and successfully. My hon. friend will recall that the crop preceding the last one was an exceedingly heavy one, and much of the expense of this particular branch is made up in the handling of the quantum of grain passing through the various inspection centres. This year, and we expect next year, these services will not be as heavy. During this past winter instead of disposing of the services of a large number of temporary help, we spread out the work on a part time basis and have had a larger number of men working on part time than otherwise would have been the case on full time. The ex-

penses will be less because of these factors and also the pressure being brought to bear upon the grain commission to keep its expenditures down in these times as low as is reasonably possible consistent with proper administration.

Mr. VALLANCE: Is the administration of the grain act entirely taken care of by the payments made by the producers for the services rendered; is it self-supporting?

Mr. STEVENS: The administration of this particular branch of the public service has in the past shown a surplus, but there was a slight deficit last year and we expect another small deficit this coming year, due to the falling off in the quantity of grain handled. The revenues are derived from a per bushel charge for the handling of grain, therefore when the quantity of grain falls the revenues fall. In 1930-31 the receipts from grain inspections were in round figures $1,165,000 and the expenditures were $2,021,000, a deficit of $855,000. In the management, operation and maintenance of elevators the revenue was, in round figures, $713,000, the expenditures $394,000, leaving a surplus of $318,000. For the year 1930-31 there was a net deficit of $568,000. For the years 1928-29, 1927-28 and 1926-27 there were surpluses.

Mr. TOTZKE: How large was that surplus?

Mr. STEVENS: The figures for the five years are as follows:

1926-27	$400,080 89*
1927-28	569,130 09*
1928-29	684,227 71*
1929-30	224,020 36†
1930-31	568,348 47†

* Surplus. † Deficit.

Mr. McINTOSH: Would the five-year period balance up?

Mr. STEVENS: There would be a surplus.

Mr. TOTZKE: What becomes of that surplus?

Mr. STEVENS: It goes into the consolidated fund.

Mr. TOTZKE: Is any allowance made for rentals of buildings?

Mr. STEVENS: The figures I have given are purely operating, but the expenditures include rentals where rentals are paid.

Mr. DONNELLY: Has there been a surplus or deficit during the past years in the administration of the grain act?

[Mr. Stevens.]

Mr. STEVENS: I have just given the figures for the past five years.

Mr. DONNELLY: I mean since the act was first passed.

Mr. STEVENS: Would my hon. friend permit that question to rest a moment and I will endeavour to get that information.

Mr. SANDERSON: Does not the minister think this to be an opportune time to give the committee some information with regard to the negotiations being carried on with China for the sale of wheat? We have read in the public press of the great prospects of selling Canadian wheat in China, and if I remember correctly I think the minister has made one or two statements himself.

Mr. STEVENS: I would hesitate to discuss publicly all that has been done because after all any efforts made by the officers of the department under the instructions of the government are necessarily more or less confidential. I have not the figures with me as to the trade with China in connection with wheat, but I will give them from memory. During the past crop year and up to the present China has imported about 650,000 tons of wheat. Of this amount Canada supplied about 184,000 tons, Australia about 400,000 tons, the remainder being supplied from the United States and other sources. One of the reasons why Australia has been able to cut into this market so heavily this year is because of the discount in the Australian exchange.

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: I do not think that is a subject for congratulation on the part of Australia or applause upon our part; I think it is a most unfortunate condition from which we hope, and have confidence, that Australia will be able to extricate herself within a reasonable time. This exchange discount allows Australia to place her grain in the Chinese market at a much lower price.

Mr. GARLAND (Bow River): That is rather an advantage.

Mr. STEVENS: Not to us.

Mr. GARLAND (Bow River): To Australia.

Mr. CHAPLIN: Not to anyone who has any money.

Mr. STEVENS: The hon. member from Bow River (Mr. Garland) states that that is an advantage to Australia, but I fear I must take issue with him in that because I believe Australia would rather have her exchange on a normal basis.

Mr. COOTE: How about the Australian farmer?

Mr. STEVENS: No, not even the farmer.

Mr. BROWN: Are we not wandering away from the subject under discussion, the administration of the grain act?

Mr. STEVENS: I am answering a query which perhaps is not out of order. Another factor that enters into the grain trade with China is the nature of the wheat itself. In the first place, under the existing conditions in China as to purchasing power, China can buy wheat abroad only when it is at a very low price, and it is the low world price of wheat to-day that is resulting in the comparatively large import of wheat to that country this year. Moreover, in the class of foodstuffs produced from wheat in China, soft wheat enters more largely than hard wheat, and there is therefore a certain attraction for Australian soft wheat. That is another factor that enters into the question, although if we can sell our wheat at a low enough figure China will buy. There is, however, some hope—and this is the point I wish to make—of improvement in this trade. The hope rests in some indications of an improved economic condition in China. There is in northern China to-day a more stable economic and governmental condition than there is in some other sections of that country, and that field is offering perhaps some attractions and some hope.

The consumption in China is very large. I think there has been some misapprehension of the capacity of China to absorb wheat and wheat flour. Some have argued that you could never get much wheat or wheat flour into China because they are a rice-consuming people; but the fact is that given normal economic conditions, and getting away from this very unusually low price of silver, rice is ordinarily at a higher price than wheat. Another point is this, that China itself produces upwards of 600,000,000 bushels of wheat a year, and is I believe likely to produce more as the great areas in northern China, in Manchuria, become more settled—that is in the way of order and governmental control. This is being brought about at a very rapid pace. But the likelihood of an increased production of wheat in China does not mean that China will produce all the foodstuffs she requires. My conviction is that there is a growing market in China, in northern China particularly, for products from this country, including wheat. I would not like to say that in the immediate future there is a prospect of our marketing large quantities. Indeed, some very good authorities differ entirely from my view, and contend that the export of wheat from Canada to China will never amount to very much. I personally do not believe that. But the situation is so disturbed, not only from a political standpoint, but the economic disturbance has been such in China, and indeed, in the orient generally, that the doing of business has been very difficult. I may say that we are making, and have made, and I intend to continue to make, every possible effort to enlarge our business with China in wheat and wheat flour.

Mr. SANDERSON: I should like to follow this discussion a little further with regard to finding a market for Canadian wheat in China. I understand that the Hon. Mr. Marler was sent to China to investigate the marketing of our wheat in that country. Is that correct?

Mr. STEVENS: I would prefer that the mission of Mr. Marler be discussed when the Prime Minister's estimates for External Affairs are up. I can say this, I think, that Mr. Marler did visit China, and saw the government at Nanking, and discussed with them the question of trade, including the marketing of wheat.

Mr. SANDERSON: I am willing to take the minister"s explanation in regard to that, and shall not press my question. The minister himself said something a moment ago about a probable market in China for Canadian wheat, and it therefore appears to me that the mission of Mr. Marler to China might properly come under this item. However, I am not going to press that. I have a very clear recollection of reading a speech made by the Prime Minister before a vast audience in the city of Regina—his speech was broadcast all over the Dominion—in which he stated that the Hon. Mr. Marler had left for China and expected to receive a large order from that country for Canadian wheat. Subsequent to that, the Minister of Trade and Commerce came out with a statement to the press that he himself thought there was a great opportunity of marketing Canadian wheat in China, but that we would first of all have to establish a credit for China, because they did not have any money, and therefore we would virtually have to lend them money with which to buy our wheat. I should like to ask the minister how far he has pursued that policy with regard to China, first as to finding the money for a credit for China with which to buy our wheat, and then as to sending our Canadian wheat over there.

The CHAIRMAN (Mr. Tummon): I would ask hon. members to confine themselves to the item under consideration?

Mr. POULIOT: Why don't we exchange their tea for our wheat?

Mr. DONNELLY: When we amended the grain act a year or two ago we were told that when mixing was done away with it would be necessary to hire at least five hundred, and possibly one thousand, supervisors for special bins, and that this supervision would cost from $600,000 to $1,000,000. Does the minister know whether these supervisors have been appointed, how many of them there are, and what it has cost to supervise this special binning? I see a reduction in this item, and I wonder how that could possibly be if it was going to cost so much more for this supervision that they said the country would not be able to afford it.

Mr. STEVENS: I am sure that my hon. friend will not think I am facetious when I ask him whom he means when he says "they" said so and so. I am sure that I never made any such statement.

Mr. DONNELLY: It was the grain trade, giving evidence before the committee.

Mr. STEVENS: Might I suggest to my hon. friend and other hon. gentlemen who are interested, and very properly interested, in the grain act and its administration, that it is hardly profitable for us here to go back to the evidence taken by the committee and ask now for an explanation with regard to what somebody may have said. I must say frankly that such was never my opinion, and I have been fairly familiar with this subject for many years. I believe that there were certain additional officials appointed to administer the grain act as amended, and there was a certain reorganization of the board, but on a comparatively small scale, I think, so far as numbers are concerned. There were certain additional officials, and I have no doubt if this year we had had a very large crop and a large quantity to handle we would have had to have a much larger vote and larger staff. However the new work was absorbed by the surplus temporary staff carried over from the previous year. My deputy has handed me a statement of the estimated additional cost in connection with the sampling of all cars at unloading points, and the preservation of samples for thirty days, and so on. This statement gives the number of elevators and probably I should read the substance of it. There were public elevators at Fort William, Vancouver, Moose Jaw, Saskatoon, Calgary and Edmonton. Eleven additional samplers were required at a monthly additional cost of $1,287. There were 33 semi-public elevators with 59 additional samplers, at an additional monthly cost of $6,669. There were 34 private elevators with 23 additional samplers at an additional monthly cost of $2,691. There were 11 mill elevators at no additional cost. That was a weighing point only and there was no inspection. There were private elevators at three other points not enumerated above, where there were five elevators with two additional samplers at an additional cost of $234, or a total additional cost caused by these changes in inspection of $10,881 per month.

Mr. DONNELLY: I do not see what the samplers have to do with it at all. I do not see any change in the grain act to provide for more samplers. We were told that we would have to have more men to supervise, and I remember our chief grain inspector, Mr. Fraser, stating that at least five hundred men would be needed at a cost of $1,200 to $1,500 each per year. In the committee at that time we all thought there would be a cost ranging between $600,000 and $1,000,000 for these supervisors, or policemen, to see that the provisions of the grain act were carried out. The sampler has to go to the cars and take samples, and I do not see why we should have more samplers.

Mr. STEVENS: My hon. friend is overlooking the samplers of grain going out of Fort William and other ports.

Mr. DONNELLY: That is the same.

Mr. STEVENS: No.

Mr. DONNELLY: We always had samplers before, and I do not see why there should be more now than there were then.

Mr. STEVENS: There is additional service called for under the new act.

Mr. VALLANCE: I think the minister will agree that the new service which was most necessary in the administration of the grain act was the supervision of those grades of grain which under the new act were not allowed to be mixed. As was stated by the member for Willow Bunch the chief grain inspector pointed out we had to take the first six straight grades, which we did not do. We took only the first three grades including No. 1 hard. What we are exercised about is that this year the minister is asking for a vote in which there is a decrease of about $203,000, and those of us who were respons-

ible for the consolidation and revision of the act are rather suspicious that we will not have the supervision we desire. We do not see how additional service can be given with a vote reduced by about a quarter of a million dollars after being told in the committee that it was going to cost a tremendous amount of money. That was one of the arguments used against denying to the trade the privilege of mixing wheat.

While the minister is considering that question I have another question I would like to put to him. I do not know that there will be any more opportune time than the present to discuss the matter I have in mind. At the beginning of this session of parliament I asked for the production of certain papers, correspondence and so on. I have talked to the minister about the matter and I think we should clean it up and learn once and for all whether or not the suspicion of some farmers in western Canada is well founded. I am referring to the correspondence between the Prime Minister and Sir George Foster, when that hon. gentleman held the portfolio now held by the minister and formerly held by the hon. member for Lincoln (Mr. Chaplin), and one by the name of Whiteside. I know there are hon. members on the government side also who have been in touch with Mr. Whiteside. He resides in a place called Birsay, in the province of Saskatchewan. He is an active chap, and operates in the interest of the grain producers of western Canada. It is his opinion that there is a surplus of money lying in the public treasury of Canada to the extent of several millions of dollars which was created because of the fact that the 1917 and 1918 crops were sold by the then government. In the correspondence which came down I found one letter was missing. I referred the matter to the minister, wrote him about it, and I am sorry to say I have not had a reply from him. Probably he has not had time.

Mr. STEVENS: It was laid on the table.

Mr. VALLANCE: Was it?

Mr. STEVENS: I called my hon. friend's attention to the fact when the information was laid on the table.

Mr. VALLANCE: I believe the crux of the matter is in that letter of April 27, 1920. It is a letter sent by Sir George Foster to Mr. Whiteside in which certain statements are made. Now that I am informed the letter is tabled may I ask the minister to allow this item to stand until eight o'clock so that I may have an opportunity to go into the correspondence?

Mr. STEVENS: Leaving out the letter from the original file was entirely an oversight.

Mr. VALLANCE: I realize that.

Mr. STEVENS: I had nothing to do with the matter at all; it was prepared by the department. When my hon. friend drew attention to the fact that the letter was missing I asked the department to make further search. It must be remembered that these letters passed about twelve or fourteen years ago. I may say that I glanced through the letter from Sir George Foster and thought it was a very excellent one. I am delighted to be in a position to hand it to my hon. friend because I think it gives a very satisfactory explanation of the whole business.

Mr. VALLANCE: In view of the minister's statement I would ask that the item stand until eight o'clock.

Mr. STEVENS: I do not object to that, but there are other hon. members who have other points to bring before the committee, and we might listen to them. I assure my hon. friend, however, that I will not ask for the approval of the item until he is fully satisfied.

Mr. POULIOT: As it is about five o'clock it would seem to be a most appropriate time to speak about tea. As the minister knows at the present time there is a famine in China. Those people need wheat, and they have no money to buy it. Would it be possible to find means of exchanging the wheat of Canada for the tea of China? I make the suggestion most seriously, and if something could be done in that respect help might be given to the Canadian wheat growers.

Mr. STEVENS: I am happy to assure my hon. friend that the department will be pleased indeed to facilitate the exchange of wheat for tea or any other articles that we can possibly take. Our trade commissioner in northern China has been bending his efforts to that result as far as he has been able to do so. It is easy to say, "Let us take a certain amount of tea and give a certain amount of our wheat in return," but it is rather more difficult to work out a method by which this can be done. All I can say is not only in regard to wheat, but in regard to every other product that Canada can take and China can supply—and there are many others—we are endeavouring to bring about an exchange.

Mr. GARLAND (Bow River): I take it the minister has not in mind the setting up of a government agency for importation and distribution?

Mr. STEVENS: No.

Mr. GARLAND (Bow River): Then I do not know that anything more is being done now than has been done by trade agencies in the past by way of barter or exchange of goods between this country and others. In short I do not think there is any barter possible until the government itself undertakes to handle the commodity to be exchanged.

The CHAIRMAN (Mr. Tummon): May I remind hon. members that these questions should more properly come under the next item, No. 364.

Mr. STEWART (Edmonton): Is there provision for payment of interest on capital cost of the government elevators?

Mr. STEVENS: No there is an operating surplus only.

Mr. COOTE: I think the hon. member for Willow Bunch (Mr. Donnelly) asked the minister whether there had been any increase in the number of inspectors in the elevators since the new provisions of the grain act with regard to prohibition of mixing of top grades was put into force. Has the minister that information?

Mr. STEVENS: I thought I answered that.

Mr. DONNELLY: No.

Mr. STEVENS: I think I can satisfy the two hon. gentlemen on that. I am not sure that we have the officers who are now operating under the new act and their duties segregated from the general operations. It must be borne in mind that when the act was revised last session certain duties that were performed under the old act would be carried into the new, and naturally part of those duties would be discharged by the same officers. I question if we have under our hand any information that would segregate one from the other; I do not think it would be possible.

Mr. COOTE: May I make the point a little clearer? The chief inspector and the inspector at Fort William were both very positive that if these new features were put into the act we would need an increased number of inspectors in the terminal elevators to act in the nature of policemen—I think that was the term they used. We are unable to understand how the grain commissioners can carry out the new act without the appointment of such men. If they can do it, of course we shall be very glad to know, but we should like to be assured that the act is being enforced and the proper. inspection carried out in the terminals.

Mr. STEVENS: Mr. Ramsay, the chairman of the Board of Grain Commissioners, tells me that as administrators they find the new act quite satisfactory. In other words they have no trouble in administering the new act.

An hon. MEMBER: With the same number of men?

Mr. STEVENS: There again I have to remind the committee that the number of employees must vary with the quantity of wheat that is handled, and there is such a huge difference between last year, for instance, and the year before in the amount of grain handled that quite a fewer number of employees were required. I may say that if we had been harsh we could have cut down the number of employees still further, but I took the ground during the past winter that we would not be too severe in that regard, and we adopted the principle which I mentioned a moment ago, that of carrying these employees along and working them, say, a week, and then laying them off a week—I think in some cases the interval was three days off and three days on—in order to spread the work available over a larger number of employees. So our records will show a larger number of men engaged than were actually required for the work had they been working full time. Now, to me that creates a very great difficulty in segregating the exact number of additional men required by the new act.

Mr. STEWART (Edmonton): May I say to the minister that there must be some mistake in the information he has given the committee. I cannot conceive why there would be any necessity for additional samplers. The act calls for additional inspectors. The volume of grain was not so large, therefore you would not require additional samplers, but the act did provide for a considerable increase in the number of inspectors to take precautions against mixing of grain. That is what we are exercised about.

Mr. STEVENS: In the statement by the chief inspector, Mr. Fraser,—I have it here,—he says there were some improvements in the

method and some expansion in the number of samples taken. Here is his statement. The first part is headed:

Additional Equipment Required

Fort William—		
Alterations in the additional office space to be assumed by the board, estimated..	$ 750	
50,000 sample tins..	9,000	
10,000 sample bags..	600	
300 canvas mail bags and padlocks..	1,000	
Dockage testers, scales and sieves..	530	
Shelving and table in sample room..	2,000	
		$13,880
Vancouver—		
8,000 sample tins..	1,500	
80 canvas mail bags and padlocks..	270	
1,000 sample bags..	60	
		1,830
		$15,710

Then he gives a statement of additional monthly expenditures as follows—these I have already given, I may say, in a slightly different form:

Fort William—		
Samplers wages..	$6,786	
Draying..	300	
Rent—additional storage. . .	310	
		$ 7,396
Vancouver—		
Samplers wages..	1,287	
Draying..	110	
		1,397
Prince Rupert—		
Samplers wages..		117
Calgary—		
Samplers wages..	819	
Draying..	50	
		869
Edmonton—		
Samplers wages..	351	
Draying..	25	
		376

Mr. DONNELLY: These are additional?

Mr. STEVENS: Yes.

Saskatoon—		
Samplers wages..		351
Moose Jaw—		
Samplers wages..		234
Winnipeg—		
Samplers wages..	702	
Draying..	100	
		802
Medicine Hat—		
Samplers wages..		234
Keewatin—		
Samplers wages..		117
Kenora—		
Samplers wages..		117
		$12,010

Estimated additional yearly expenditure, 12 months at $12,010 per month, $144,120.

Then the chief inspector adds this note:

But as the work at all points is intermittent, reductions in staffs will be made at all points in the off seasons. I am therefore of the opinion that the services of these additional samplers will be required for from seven to eight months each year, making the annual additional cost for wages $78,000 to $89,000, with draying and rent, $10,740 for the twelve months, or a sum total of $88,000 to $99,000.

Mr. VALLANCE: The minister points out that there will be an increase in the number of samplers. I cannot see the reason for that, because I understand automatic samplers have been installed, which should do away with a lot of those men.

Mr. STEVENS: My hon. friend is quite right, but they are not installed yet; they are being installed.

Mr. VALLANCE: The minister pointed out that the grain act always has been able to carry itself, that is, over a period of five or ten years. Having that in mind, and because of the amendments which were brought in last year and which now are contained in the consolidated grain act, it seems to me we should be not reducing the vote but increasing it, because we must supervise these grades of grain that are not allowed to be mixed. If we do not do so I am afraid we will find ourselves back where we started.

Mr. WEIR (Macdonald): The explanation for which the hon. member for South Battleford is looking is contained in the act itself, it seems to me. I have not the act before me, but my understanding is that teeth have been placed in the Grain Act with regard to the very point my hon. friend has in mind, namely, the confiscation of the overages as between certain grades. I think that very largely does away with the necessity for what we have called policemen, and perhaps the minister has that in mind.

Mr. VALLANCE: I still maintain that the grading must be supervised. There is nothing easier than to take a carload of No. 3 wheat and put it into No. 1, if you like, and then take out some No. 1 and mix it with those grades which are still allowed to be mixed under the act. You still have to supervise those top four grades, including No. 1 hard.

Mr. STEVENS: As I understand it the new act overcomes the very difficulty which has been raised by the last two speakers. The practice which has grown up in past years of surreptitiously introducing a lower grade into a higher grade and turning out an average higher grade has been pretty well taken care of and it is believed it will be taken care of

in the new act. The chairman advises me that the new act is working satisfactorily and achieving the objects which were set forth. I submit to my hon. friends that it is impossible for us to give data until the end of the present crop year, when the grain board will make its report. We are now in the middle of, or two-thirds of the way through the crop year, and until we get the report of the grain commission I cannot present any data to the house, because as yet it is not compiled. However, I have here a general statement by the chairman which I might read, since it might give some light on the subject. It does not and cannot present facts, figures and data to prove the success of the present act, but it might convey to my hon. friends the assurance which they very properly seek. This letter was written by Mr. Ramsay, chief commissioner of the Board of Grain Commissioners, under date of November 27 last, and is addressed to the deputy minister. It is headed:

Re: Reorganization of Grain Inspection Methods

The letter goes on to say:

Referring to the work undertaken by the board looking towards the safeguarding of the producers' interests in the inspection and grading of grain and the changes in the handling and transportation methods, it has become necessary to adjust the methods employed in the inspection department to meet this condition.

The chief difficulty found by the new board is in the sampling of grain for inspection purposes. Up to the present this has been done by means of a probe sample taken at inspection. The development of railway transportation, however, i.e., the use of large cars and the heavier weight carried in those cars and the fact that those cars are loaded so fully that as a result it is impossible for a sampler to carry on his work, requires forty per cent of the shipments now arriving at inspection points to be sampled at unload at the terminal.

There has also always been in the mind of the producer a rather grave suspicion of the manner in which the work of sampling of cars was carried out at the inspection point, and also the definite proof that the probe sample does not determine the proper dockage in the car sampled in a great many cases in view of the varying nature of this dockage. Also it is possible for a dishonest shipper to so load his car by what is known as "plugging" as to in some cases evade a proper determination of the contents of that car.

To overcome these and other difficulties the system of sampling at unload by automatic samplers has been devised. A machine has been approved which carries on this work mechanically with mathematical precision and which leaves the operation of the system practically free from human fault, and as a result above suspicion. This matter was very fully discussed with the Hon. James Malcolm, former Minister of Trade and Commerce, also with the Department of Trade and Commerce officials, and with the agricultural committee of the House of Commons. It has also been accepted by the producer at large as being a great protection to his interests. It is acceptable to terminal elevators and improves their position in so far as it is possible for them to have the correct dockage placed on each car with exactitude and relieves them in certain crop years without finding themselves with a shortage in grain and an overage in dockage, or vice versa.

The board therefore has completed plans and recommends to the minister that the system be adopted officially. However, to install it it is necessary that certain expenditures be approved. I enclose herewith the chief inspector's estimate in which he states that adding it to the present methods would involve an expenditure of from eighty-eight to ninety-nine thousand dollars per annum, mostly for wages. I may say it is the board's opinion that this is a very generous estimate of the cost and in compiling our estimates for submission to the minister this year the adjustment has been incorporated in those estimates without making any appreciable difference in the total amount asked for for the administration of the service as a whole. As a matter of fact it is the board's opinion that a very small additional expenditure for wages will be incurred in view of the fact that it will provide work for seasonable men who otherwise would be laid off for the balance of the crop year.

We require therefore and would ask that we be authorized to make an expenditure not exceeding $13,880 for additional office space and equipment at Fort William, $1,830 for additional equipment at Vancouver, and that authority be granted for such adjustments in our staffs at these points as may be necessary to bring the system into operation.

The board is of the opinion that the installation of the system will do away with ninety per cent of the friction which has been a growing quantity for many years between the western producer and the inspection department, and will re-act very favourably on the prestige between the service and the public with whom it deals.

The cost of providing machinery for sampling as under section 131 of the act has to be borne by the terminal elevators and apart from any opposition from them in regard to its installation, I may say that they are now all equipped with the necessary machinery and welcome the innovation.

You will notice that this letter covers the items I read a moment ago concerning the additional staff required to take care of this particular service. I should also like the committee to note that the cost of the installation of the sampling machinery is borne by the elevators. With regard to the request for authority, we authorized the board to proceed with the installation of this system.

Mr. MOTHERWELL: Has the board reported any tendency to revert to mixing particularly with respect to tough or damp or dried wheat?

Mr. STEVENS: No.

Mr. VALLANCE: I hasten to assure the minister that it is not from any want of con-

fidence in the present grain commission that we have been prompted to raise this discussion this afternoon, because we have every confidence in them. We are afraid, however, that they might be handicapped by a lack of sufficient staff properly to provide for the taking in and putting out of the wheat.

Mr. STEVENS: I wish to make this abundantly clear: there is not the slightest disposition on the part of the government to place any handicaps on the Board of Grain Commissioners. I assure the committee I shall give the board loyal support in the administration of their difficult task, and the hon. member may rest assured that there will be nothing in the nature of any handicap.

Mr. McINTOSH: May I ask the minister, after the reading of that last report from Mr. Ramsay, the chairman of the board, whether he has had actual conferences with the head of the board with regard to the administration of the act. What I mean is this. The act has been revised; that statement of fact has been made this afternoon. We have an item, short by about a fifth of a million, for the administration of the act during the coming year, and although we have the utmost confidence in the chairman and members of the board in regard to the work of the board, the thought has just occurred to me that by getting closer and closer to the chairman, and, with him, going into all matters pertaining to his administration, perhaps the minister could come to a conclusion as to whether the act will, under a large or a small crop, be as efficiently administered as it should be.

Mr. STEVENS: I am glad my hon. friend has asked the question. I have had several brief conferences with the board. I met them in Winnipeg on two occasions and I have met members of the board here, and, as the hon. member knows, Dr. MacGibbon, one of the members, was overseas with us as expert adviser on grain matters. He was with me for two and a half months. I think, therefore, I am in a position to speak very definitely, and I would say this. The chairman and his board are quite confident that the act as amended can be administered satisfactorily. I must make this reservation, however, that neither they nor anyone else can say definitely what the results will be until they make their final report at the end of the first crop year. But we expect that that report will disclose that the administration of the new act, with the changes brought about, has been beneficial. That is as far, I think, as I am warranted in going.

Mr. McINTOSH: I thank the minister for his statement. I believe that, receiving report after report from the board, and keeping in contact with them closely in a personal way, if there is any difficulty, the combined efforts will soon remove it.

Mr. COOTE: Is the construction of the new elevator at Lethbridge being proceeded with, and is provision being made therein for the establishment of a seed-cleaning plant?

Mr. STEVENS: The construction of the elevator at Lethbridge is being proceeded with under contract as provided for. There is at present no provision for the establishment of a seed-cleaning plant at that elevator. The elevator has provision for cleaning apparatus—at least space for the installation of such apparatus. We are of the opinion, and I think the board agree with us, that it is better to keep these seed-cleaning plants—that is, plants for the cleaning of certified seed—separate from the ordinary elevator service.

Mr. COOTE: Is that new elevator under the board?

Mr. STEVENS: It is under the railway department.

Mr. COOTE: Has the board any inspectors at that elevator?

Mr. STEVENS: At present, I understand not. The question of inspection outward in the east is, I believe, being dealt with now by the Board of Grain Commissioners.

Mr. COOTE: They have some inspectors at Montreal?

Mr. STEVENS: Yes.

Mr. COOTE: Have they any at Prescott?

Mr. STEVENS: No.

Mr. MOTHERWELL: Do the assistant Commissioners appear to be performing a good service through personal contact—that is to say, instead of going direct to the board, having the interested parties submit their difficulties to the assistant?

Mr. STEVENS: The other day I received a memorandum or letter with reference to that question. I have not got it under my hand. It was not an official report, but as I recall it, it is satisfactory.

Mr. MOTHERWELL: We hear no complaints now at all.

Mr. STEVENS: No.

Mr. COOTE: Is there an appropriation this year for continuing the work of the grain research laboratory?

Mr. STEVENS: Yes; it is included in this vote.

Mr. VALLANCE: I have here a voluminous and important letter which the minister has very courteously handed to me. I do not wish to read it to the house, but I should be glad, Mr. Chairman, if you would call it six o'clock so that I might have an opportunity to study the letter between now and eight o'clock, when I shall ask for permission to have it inserted in Hansard. It would do a service to the minister in clearing the matter up and would also be serviceable to a good many western members who are interested in the question.

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

After Recess

The house resumed at eight o'clock.

CRIMINAL CODE AMENDMENT

FORGING OF TRADE MARKS—SALE OF GOODS FALSELY MARKED

Mr. G. R. GEARY (South Toronto) moved the second reading of Bill No. 34, to amend the criminal code (trade marks).

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, this bill contains three sections and it is out of order in every one of them. This is the same point which I raised unsuccessfully the other evening, but since then I have had an opportunity to look into the matter and I am now fortified with data as to when and under what circumstances this rule was introduced. I am also buttressed by precedent and I am further emboldened by the fact that I have in print the considered opinions of the Minister of Justice (Mr. Guthrie) and the former minister (Mr. Lapointe) in support of the point I now raise.

Subject to the indulgence of your honour and to the good nature of the house, I will not deal as fully with this matter as the strength of my case and the quantity of my authorities would justify, but will state briefly my views on this matter, and if necessary ask permission to say a few words later on. I claim that this bill is out of order under standing order No. 70, which reads:

> No bill may be introduced either in blank or in an imperfect shape.

[Mr. Stevens.]

Under that standing order I find the following footnote:

> If the Speaker finds that the bill is in blank or in an imperfect shape, he will decline to put the question and will return the bill to the member who must take another opportunity of bringing it up in conformity with the rules.

That is what should have been done with this bill on the first reading, and I submit that it should be now returned and dropped from the order paper. I find that these rules were passed in 1923 by a joint committee of both the Senate and the House of Commons. The report of the chairman of that committee, Mr. G. H. Boivin, appears in Votes and Proceedings of June 14, 1923. I will refer only to the pertinent part of that report. The chairman stated that the committee was appointed, first, to consider the forms of bills and the best means of affording information and assistance in the consideration thereof at all stages of legislation in both houses of parliament. The committee made certain recommendations, number three of which is as follows:

> When a clause repeals an existing section, subsection or other minor division of a section, that section, subsection or division, or so much thereof as is essential, shall be printed opposite the clause.

Recommendation number four was to the effect that in addition an explanatory note should be put in by the draftsman of the bill. At page 4007 of Hansard of June 18, 1923, we find Mr. Boivin, the chairman, moving the concurrence of the report of this committee He said:

> The first matter referred to the committee was the form of bills and the best means of affording information and assistance in the consideration thereof at all stages of legislation in both houses of parliament.

And later on he said:

> The committee unanimously considered that, if it were possible to print on the opposite pages of the bill, the full section or subsection which it is desired to amend, showing in brackets or in italics the changes to be made, and also to print in a parallel column the section or subsection as amended, it would be a great time-saver and would avoid the necessity of many members asking the minister in charge of the bill: What is the present form of the section?—What is the nature of the change?—Why is the change being made?—and a great many questions which are very essential to a proper understanding of the bill, but which could be dispensed with if all this information were included in the bill when it was presented to the house.

That is the reason the committee made that recommendation. Further on, Mr. Boivin said:

> —the finding of the committee in all these respects was absolutely unanimous.

Then the motion was adopted unanimously by the house. At page 348 of Beauchesne there is repeated almost word for word and letter for letter the recommendation of this committee on the occasion to which I have alluded. It is natural to suppose that Mr. Beauchesne put the rules in just as he found them. This edition of Beauchesne was revised in 1927, so that brings us down to date. Rule 3 on this particular page of Beauchesne reads as follows:

When a clause repeals an existing section, subsection or other minor division of a section, that section, subsection or division, or so much thereof as is essential, shall be printed opposite the clause.

Sections 1 and 3 of the bill before us break that rule. Rule 1 on the same page of Beauchesne states that when a clause is amended it must not be amended by adding or taking out a few words, but that the whole section must be struck out and replaced with the new section, thus indicating clearly what the intention is. Section 3 of the bill before us breaks that rule. That leaves only the preamble and the title, to which I have no objection.

We come now to precedent, so beloved, and perhaps properly so, by this house. Since 1924 that rule has been adhered to rigidly on each and every occasion. I have before me some of the acts passed from year to year and I will indicate one or two. A bill was sponsored in 1924 by General Clark, a well known lawyer. The next bill I have before me was sponsored by the senior member for Ottawa, a well known and capable lawyer. Then going into the Senate, I find a bill sponsored by Senator White, and, by the way, that bill was an amendment to the criminal code just as the bill now before the house is, so there is an exact parallel. I find another sponsored by Mr. Ladner, a well known lawyer from the west. All these hon. members, able lawyers in their different spheres, found it advisable to comply with the rules.

The other day the hon. member for Quebec East (Mr. Lapointe), addressing the Minister of Justice, said:

I desire to refer my hon. friend to the rule. It will be found at page 348 of Beauchesne's Parliamentary Rules and Forms. It was adopted on June 14, 1923.

That is the exact date to which I have alluded. He continued:

Not only should there be an explanatory note, but the whole section should be printed as amended by the bill which is being considered, and then the new words inserted must be put within brackets. This rule is peremptory, and it is a great help to members of the house in considering a bill.

That was the same language as employed by Mr. Boivin in introducing the report of the committee. Then the hon. Minister of Justice replied:

I was quite aware of the rule, Mr. Chairman. I noticed the omission but this proposed subsection 2 is all new.

Mr. Lapointe: But I think the printing of the whole section would have helped members to understand the change.

Mr. Guthrie: I am sorry for the omission and will bring it to the attention of the official in charge of these matters.

Both the present and former ministers of justice were in hearty accord with this method of procedure. In view of this brief summary of the rules and the law which governs this subject—I might say I am supported both by the law and by the prophets—I submit this bill should be dropped and the hon. member should introduce it again in the regular way.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I desire to congratulate the hon. member for Comox-Alberni (Mr. Neill) upon his research work, and, if I may be permitted, take up one by one the the points to which he has referred. Beauchesne's Parliamentary Rules and Forms, at page 348, subsection 1, reads as follows:

In the preparation of bills amending existing enactments the amendments shall not ordinarily be made by clauses which add or leave out words or substitute words for others, but by clauses which reenact the section, subsection or other minor division, as it is amended.

I submit that in regard to both section 1 and section 2 of this bill, that is exactly what has been done. The essential words of the second paragraph, on page 348, are as follows:

Opposite each clause, on the right hand page, the enactment amended thereby, or so much thereof as is essential, shall be printed with the proposed changes to be made therein similarly indicated.

I think that instead of that rule being mandatory, so far as your honour is concerned, it is entirely discretionary, and it is within the discretion of your honour to conclude that the explanatory notes sufficiently indicate the proposed changes to be made by sections 1 and 2 of the bill.

Hon. FERNAND RINFRET (St. James): I wish to support the contention made by my hon. friend from Vancouver Centre (Mr. Mackenzie). This bill, although it amends the criminal code, happens to deal with trade marks, and that is perhaps my excuse for rising.

In connection with this bill I think that both the rules and the custom have been very strictly followed. We took occasion the

other day to bring to the attention of the Secretary of State (Mr. Cahan) and later of the Minister of Justice (Mr. Guthrie) the omission of notes in regard to certain bills introduced by the government; but then there were no notes at all, not the least trace of them, and I thought we were quite in order in doing so. But in this case, Mr. Speaker, as my hon. friend from Vancouver Centre has pointed out, in sections one and two of this bill the old sections are reprinted and the new words are underlined to show what is being added to the sections. The old sections, however, are right there in the bill and you can read them by omitting what is underlined. In section 3 of this bill the old section is reproduced in the explanatory notes. Therefore, Mr. Speaker, not only do I for once disagree with my hon. friend from Comox-Alberni (Mr. Neill), but I wish to congratulate the hon. member for South Toronto (Mr. Geary) upon having introduced his bill in perfect order. I think we should proceed with the second reading of the bill.

Mr. GEARY: The hon. member for Vancouver Centre and the hon. member for St. James (Mr. Rinfret) with the ordinary common sense that characterizes them, have exactly placed the position before the house. I do not believe that were I to try ever so hard I could succeed in satisfying my hon. friend from Comox-Alberni. I must congratulate him on the assiduity with which he has sought for flaws in my unfortunate bill. I do not think there is anything I need add to what has been already said except that the case is amply covered by the rule. If one looks at standing order 70 one will see that it says that a bill may be introduced either in blank or in imperfect shape.

Mr. NEILL: It says that no bill may be introduced in that state.

Mr. GEARY: If my hon. friend were so anxious about the merits of the bill or anxious for some reason or other to get it out of the house, he should have been seized with the importance of his objections when the bill was being introduced. It has been introduced and has had its first reading, and the objection was not taken. Even that defect, if there be one, has been cured. Beauchesne, at page 348, says that when a clause repeals an existing section, the section repealed or so much of it as is essential shall be printed opposite the clause. I submit to you, Mr. Speaker, and to hon. members that the objection taken by my hon. friend from Comox-Alberni has no merit whatsoever. It is not one that I think should weigh with this house, not being desirous of proceeding upon the merest technicalities, but desirous of proceeding with the ordinary common sense interpretation of the rules which my hon. friends from Vancouver Centre and St. James have made. Their contention, I submit, are sufficient to dispose of the objections which the hon. member for Comox-Alberni has made to this house.

Mr. NEILL: May I deal for a moment, Mr. Speaker, with the objections raised by my friends to my right? They take an entirely superficial view, such as they have gained by glancing at the bill while I was speaking, and without the slightest investigation into the rules and their implications. That is all that is wrong with them.

Mr. RINFRET: I cannot admit that. I wish to remind my hon. friend that as minister in the former government I was dealing with trade marks, and I gave all my attention to this bill. I again say that it has been so well prepared as to make it easy for any hon. member to understand what is meant by the bill. I cannot accept the statement of my hon. friend that I have taken but a superficial view of the bill. I have studied it and was ready to proceed to study it further in committee with its sponsor.

Mr. NEILL: I am sorry to hear that, Mr. Speaker, because it makes a sad reflection on my hon. friend's intelligence. This is what I want to point out.

Mr. GEARY: Since we are on points of order and technicalities, I feel obliged to take one mystelf, Mr. Speaker. The hon. member has already spoken on the point of order, and he cannot speak again.

Mr. NEILL: Then I rise to a point of order, Mr. Speaker, that the hon. member for Vancouver Centre did not state the case correctly, and I place myself in the hands of the house that I did not take up much time before. I could have dealt with this for hours, but I saved the time of the house, and perhaps the house will now give me the privilege of rebutting this particular argument. I will not say a word about the hon. gentleman who introduced this bill.

Mr. GEARY: Say all you like.

Mr. NEILL: There is no need to say anything because he said nothing requiring an answer. This bill has three sections. Sections 1 and 2 are wrong in one regard, and section 3 is wrong in another regard, and my hon. friend from Vancouver Centre plays the two against each other. He points to section

3 and says, "There, it is right on that point." I admit that. Then he points to sections 1 and 2 and says, "They are right on that point." There were two points, Mr. Speaker, on which it was possible to go wrong, and the framer of the bill went wrong in sections 1 and 2 on one point, and went wrong in section 3 on the other point. Let me illustrate. If you will turn to section 3 of the bill you will see that it reads like this:

Section four hundred and eighty-nine of the said bill is amended by striking out the first seven lines thereof and substituting therefor the following:

That section is out of order because rule 1 on page 348 of Beauchesne says that amendments shall not be made by clauses which add or leave out words, but by clauses which re-enact the section. Section 3, does not re-enact the section. They have stricken out seven lines. How do I know what was contained in those seven lines? How does anyone know? Was it not the very purpose of the rule that the whole of the new section should be printed in order that a man might grasp what was intended? It is in that regard that section 3 transgresses the rule. It does not transgress rule 3 of page 348, which requires the section stricken out to be printed on the opposite page; but sections 1 and 2 do transgress that rule. They put the new section in but they do not put the old section in, and they are wrong in that respect, although they are not wrong as regards rule 3. It is all very well to talk about a common sense interpretation, but either the rules are going to be obeyed in this house or they are not, and this particular rule was framed with the full concurrence of the house in order to make it easier for hon. members to understand the different bills as they come up for consideration. If we are going to abrogate the rule, very well; let us have a new set of rules; but as long as these are the rules, they should be obeyed alike by the rich lawyer and the humblest member of the house.

Mr. SPEAKER: With respect to the point of order raised by the hon. member for Comox-Alberni (Mr. Neill), on a recent occasion when Bill No. 35 was before the house he raised practically the same objection which he has raised to-night. I was of the opinion then that the objection was not sufficiently well-founded to prevent the house dealing with the bill, and it went off the order paper for another reason. If that bill is to be restored to the order paper, I would say now that the hon. member sponsoring it should confer with the law clerk of the house before reintroducing it. Although standing order 70 does not appear to apply at this time, yet rule No. 3 as it appears and has been quoted at page 348 of Beauchesne's Parliamentary Rules and Forms has not been complied with in the preparation of the bill now before the house. Consideration of the bill would be more intelligible if the sections repealed were printed on the right hand page, as directed by rule No. 3. As the objection is seriously raised I am inclined to sustain it, and I would suggest to the hon. member for South Toronto (Mr. Geary), who has charge of the bill, that he would be well advised to allow it to stand and to confer with the law clerk before proceeding further with it.

Mr. GEARY: This bill has already been through the hands of the law clerk.

Mr. SPEAKER: I think it should be returned to him for more careful consideration.

Some hon. MEMBERS: Stand.

Motion stands.

DAIRY INDUSTRY ACT

AMENDMENT TO PROVIDE INCREASED PENALTIES FOR VIOLATION

The house resumed from Tuesday, April 28, consideration of the motion of Mr. Gobeil for the second reading of Bill No. 16, to amend the Dairy Industry Act.

Mr. SAMUEL GOBEIL (Compton): At nine o'clock the other night I was reading section 5 of the Dairy Industry Act, chapter 45 of the revised statutes of Canada, 1927. For the information of the house may I say that I had finished the reading of section (c). At this time I shall repeat that section:

(c) melt, clarify, refine, rechurn, or otherwise treat butter to produce "process" or "renovated" butter;

(d) manufacture, import into Canada, or sell, offer, expose or have in possession for sale, any milk or cream or substitute therefor which contains any fat or oil other than that of milk;

(e) have upon premises occupied by him where any dairy produce is treated, manipulated, manufactured, or reworked, any substance that might be used for the adulteration of any such product and the presence upon any such premises of any fat or oil capable of being used for such adulteration shall be prima facie proof of intent so to use it.

This bill does not change the law in any way. It is brought forward merely to increase the penalties. Some hon. members may ask: Why change it this year? My reason, Mr. Speaker, is that in the last couple of years the adulteration of butter has increased on a tremendous scale.

Mr. POWER: It will not pay to adulterate it now, will it?

Mr. GOBEIL: Yes, I am afraid it will. The other night I think I said that the particular kind of adulteration I had in mind when proposing the bill was the addition of cocoa-nut oil to the butter. My impression was that 20 per cent was the limit which could be mixed with butter. I have in my hand however a newspaper called Le Bulletin des Agriculteurs, wherein it is stated that as much as 40 per cent of cocoa-nut oil is added to butter and that chemists would be required to find the adulteration when the butter had been reworked. I do not believe any hon. member will seriously oppose the bill, for the reason that I seek only protection for the producer of butter. I seek to protect the quality of our dairy product, and also to protect the consumer.

To demonstrate to the house that this adulteration has been going on, may I point out that the Dairymen's Association of the Province of Quebec, composed of farmers, butter makers, cheese makers, cheese inspectors, butter inspectors and men in the dairy trade generally, at their last convention held at Mont Laurier on October 15, 1930, passed the following resolution:

> Moved by Mr. J.-N. Dumoulin,
> Seconded by Mr. F.-X.-O. Trudel.
> Resolved unanimously:—
> That the directors of the Dairymen's Association of the province of Quebec, at a general meeting of the congress of the association held at Mont Laurier, on October 15, 1930, beg to submit to the Honourable Robert Weir, Minister of Agriculture, at Ottawa, their humble petition as follows:
> Whereas the manufacture of adultered butter seems to spread throughout Canada, it would be expedient to amend the Dairy Industry Act of Canada so as to increase the penalty already provided by statute against the manufacturers of adultered butter, from $200 to $1,000 for the first offence; to $1,000 and the seizure of the implements used in that connection for the second offence; and to imprisonment for the third offence.
> That the directors hope that the Honourable Minister of Agriculture will kindly give this resolution, which is felt necessary, they believe, owing to the spread of trade in adultered butter, his most serious consideration.

Mr. Chairman, I do not think I have anything more to add. This resolution, coming from a body such as the Dairymen's Association of the province of Quebec, will bear more weight than anything I could add.

Mr. CAYLEY: What amount of this adulteration is being done in Canada, and where is it being done? I understood the old act provided penalties for such an offence. Is the adulteration being done in creameries?

[Mr. Gobeil.]

Mr. GOBEIL: I am sorry, but I did not understand the hon. member's question.

Mr. CAYLEY: Have there been any convictions for this offence?

Mr. GOBEIL: Yes.

Mr. BOYES: I wish to make a few remarks—

Some hon. MEMBERS: Order.

Mr. GOBEIL: I believe the hon. member asked whether adulteration had been practised, and to what extent.

Mr. CAYLEY: Yes.

Mr. GOBEIL: I do not know in how many different places adulteration has been practised, but I know that it has occurred on a large scale in the city of Montreal. No one could guess to what extent the practice has been carried on.

Mr. CAYLEY: Is it being practised in the creameries where butter is manufactured?

Mr. GOBEIL: I do not think it is being done in the creameries at all. I do not know of any creamery operator who has been convicted.

Mr. CAYLEY: Perhaps it is—

Mr. GUTHRIE: Mr. Speaker, I rise to a point of order. The question before the house is a motion for the second reading of the bill. If there are to be questions and answers and a general discussion of the bill, why not go into committee and have such discussion at that time?

Mr. SPEAKER: I did not understand that the hon. member who had introduced the bill had finished his speech. I thought he had resumed his seat merely to allow a question.

Mr. GUTHRIE: He was questioned and requestioned.

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): Mr. Speaker, I do not with to oppose the second reading of this bill. I really think that the hon. member for Compton (Mr. Gobeil) in moving this bill, was actuated by the very best intentions: that of improving the quality of butter produced by Canadian farmers and maintaining it on a high standard. I simply rise to point out to the hon. member for Compton a flaw in his bill which might prove dangerous. In principle, I do not approve fixing a minimum penalty and I note that in the measure under discussion, the minimum penalty is fixed at $500 for the first infraction to the act. My views are that we should

allow more discretion to the magistrates who have charge of the application of the act. So many phases surround such an infraction that we should give more latitude to magistrates, especially as regards a first offence. I notice that the act considers as adulterated butter that which contains more than 16 per cent water. Take, for instance, the case of a farmer who brings to the market butter containing more than the proportion of water stipulated by the act. It might so happen that this farmer, in very good faith and with no intention whatsoever of deceiving the public or violating the law by adulterating his butter, places on the market a product containing more than 16 per cent water. This man is arrested for having sold one pound of adulterated butter, pursuant to the act. He is brought before a magistrate and for this first offence—one committed in good faith—the magistrate has no alternative but to impose a fine of $500 on this innocent farmer who is selling his butter at 20 cents a pound. Truly, I think that the hon. member should further consider the question and allow a certain discretion or latitude to the magistrate, at least when it is a matter of a first offence. As to the principle of the bill. I have no comments to make. My views agree with those of the hon. member and I think he is quite right in trying to improve the quality of butter and prevent adulteration. I am in favour of the principle of the bill, however I wish to point out that the minimum penalty is too drastic for a first infraction.

Mr. C. G. POWER (Quebec South): Mr. Speaker, I desire to support the stand taken by my hon. friend from Bellechasse (Mr. Boulanger). It appears to me that throughout our statutes we have been altogether too liberal in providing for very heavy pains and penalties for offences which may perhaps be somewhat serious, but which do not strike the average layman as being so serious as to warrant the fines and penalties that we are imposing.

Mr. GOBEIL: If I might say a word, I think it would clear up the question. The hon. member for Bellechasse, I thought—

Mr. SPEAKER: Order. The hon. member cannot make a speech now.

Mr. POWER: The point made by the hon. member for Bellechasse is that it is sought to impose a minimum fine of $500 for a first offence and $1,000 for a second offence—and after all what is the crime? The crime is that mentioned in paragraph 7 of the Dairy Industry Act:

> No person shall manufacture, import into Canada, sell, offer, or have in his possession for sale, any cheese which contains any fat or oil other than that of milk or cream.

There is another enumeration in paragraph 5 of the same statute. That is to say, a person found with cheese containing fat other than that of milk or cream renders himself liable to these penalties. I do not know much about the cheese industry, but it is quite conceivable that somebody might, by accident, import or have in his possession cheese which does not come up to these specifications, and if proceedings were taken against him the magistrate on conviction would have to impose a penalty of at least $500. It seems to me that this excessive penalty defeats the very object that the hon. member has in view in presenting the legislation. It has been found, I think, by those of us who have had any practice before the courts that it is difficult to secure a conviction for what appears to the judge to be a not very serious offence when conviction means the imposition of a heavy penalty. I submit to my hon. friend that he is not advancing the cause of which he is so distinguished an advocate by proposing these increased penalties.

Mr. FRANK BOYES (East Middlesex): Mr. Speaker, I desire to support this bill. The dairy industry is engaged in to a great extent throughout Ontario and Quebec, and to some extent throughout the other provinces. In my opinion this industry should be encouraged in every way possible. Let me draw to the attention of the house certain convictions for violations of the Dairy Industry Act. I will not give the names of the convicted persons, but merely state the fines imposed. These convictions were for having in possession for sale or selling butter manufactured wholly or in part of fat other than that of milk or cream. In the first case the fines imposed were $200 in 1926, $200 in 1929 and $200 in 1930; in the second case, $400 in 1927, $500 in 1928, and on a third conviction in 1930 the culprit was imprisoned for one month at hard labour; in the third case the fines imposed were $200 in 1927, $200 in 1928, $500 in 1929, in each case with costs; in the fourth case, $200 in 1927, $200 in 1928, $200 on two occasions in 1929, and $200 in 1930; in the fifth case, $200 in 1930. These cases show that a fine of $200 if not a sufficient deterrent. I repeat, the dairy industry should have every

encouragement possible, and therefore I am fully in accord with this amending legislation in that I believe that the heavier fines therein proposed would tend to discourage these repeated infractions of the law.

Mr. F. H. PICKEL (Brome-Missisquoi): Mr. Speaker, I intend to support the bill. It is not the creamery man who has been guilty of this adulteration, it is the large factories. They import cocoanut and cottonseed oil at a cost of 10 or 12 cents a pound, and they are using about 40 per cent of it in adulterating their butter. I notice in the Montreal Gazette towards end of April that such a firm was fined $200 and costs for adulterating butter. What does that firm care for a fine of $200? They will make it up in one churning and go ahead and repeat the offence. The purpose of the law is to prevent adulteration, and to effect this purpose the penalties should be increased as proposed by the bill.

Mr. T. M. CAYLEY (South Oxford): Mr. Speaker, I am quite aware of the benefit of this amendment to the dairy farmers of Canada, and I think they should have all the protection in this respect that we can possibly give. I have here the number of informations and convictions that have been obtained during the years 1928, 1929 and 1930. In 1928 there were 100; in 1929 there were 134 and in 1930 there were 122. By provinces, they were as follows:

	Informations laid	Convictions	Informations laid	Convictions	Informations laid	Convictions
	1928		1929		1930	
P. E. Island	—	—	1	1	—	—
New Brunswick	—	—	1	1	—	—
Nova Scotia	—	—	1	1	—	—
Quebec	87	84	103	102	96	92
Ontario	11	10	27	27	26	26
Saskatchewan	—	—	1	1	—	—
British Columbia	1	1	1	1	—	—

In British Columbia in 1929 there was one individual who was unable to pay his fine and who was sent to prison in lieu thereof. It occurs to me, Mr. Speaker, that there are certain interests or certain individuals in this country who are interested in making money out of the farmers' product by adulteration, and therefore as representing the dairy interests of the county of Oxford I am heartily in accord with the spirit and the amendment of this bill.

Mr. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, I must congratulate the hon. member for Compton (Mr. Gobeil), for introducing this bill. For a number of years past, farmers have had to contend with an illegal competition as regards butter, not only in Quebec but throughout the country. A number of manufacturers and dealers adulterate this product so as to control the market price. The hon. member is further to be congratulated for his solicitude towards the farming classes because if there is a member on the government side who endeavours to help these people, it is certainly the member for Compton. Heretofore the government has made no move to assist the farmer.

The hon. member for Compton is quite right in wishing to increase the penalties against those who adulterate butter. It is of a daily occurrence in this country, and it must at all cost be stopped by increasing the penalties. I heartily support the hon. member for Compton (Mr. Gobeil) and hope that his bill will receive the approval of this house.

Hon. IAN MACKENZIE (Vancouver Centre): I just wish to say a word in regard to this bill. I think all members are agreed as to the desirability of trying to effect what the mover of this bill has in mind in the measure he proposes. I also agree very heartily with the remarks of the hon. member for Quebec South (Mr. Power) in regard to the possible deleterious effect of the very high penalties imposed under the bill. It seems to me that the house as a whole has not had sufficient time to give full consideration to the facts concerning this measure. The motion before the house is that the bill be now read a second time, and in amendment thereto I beg to move that it be referred to the select standing committee on agriculture and colonization with instructions to investigate the bill and report back to the house.

Mr. SPEAKER: The amendment is not in order until after the second reading.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I think this bill is of sufficient importance to be read a second time and referred to the committee, as proposed by my hon. friend from Vancouver Centre (Mr. Mackenzie). There is a great deal to be considered in regard to this question. We realize we have two acts which apply to butter, milk, cheese and all foods. One is known as the Food and Drugs Act, while the other is known as the Dairy Industry Act, and sometimes it is rather a nice question to decide under which of these acts a prosecution should be launched. The penalties under the Food and Drugs Act are not nearly so severe as the penalties under the Dairy Industry Act, and I believe it has

frequently happened that prosecutions which should have been taken under the Dairy Industry Act for some reason or other have been taken under the Food and Drugs Act, so that the penalty imposed in a great many cases has been only $20. I think the matter is of sufficient importance to be thoroughly discussed. If an anomaly exists by all means let us remedy it, or if the penalties are not sufficiently severe we can increase them. Therefore I should like to see the bill get second reading and be referred to the committee, as suggested by the hon. member for Vancouver Centre.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Before the bill gets second reading, it seems to me that as this is a very important matter affecting the public health, we should have some statement from the Minister of Agriculture (Mr. Weir) with regard to the bill. As the minister in charge of agriculture he should be able to give us some information before we decide whether we should allow it to go to committee or kill it here instead.

Hon. ROBERT WEIR (Minister of Agriculture): Having regard to the importance of this bill, I would be in favour of seeing it go to the committee to be fully discussed.

Mr. GOBEIL: May I be permitted to offer a word of explanation?

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member has the right to reply.

Mr. SAMUEL GOBEIL (Compton): In answer to the hon. member for Bellechasse (Mr. Boulanger), and the hon. member for Quebec South (Mr. Power), while I am not a lawyer I consulted the law officers of the house and they told me that this does not apply at all to butter which contains over 16 per cent of water when it comes from the manufacturer. Subsection (a) of section 5 reads:

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

Subsection (b) of section 5 is the important section:

> (b) No person shall mix with or incorporate with butter, by any process of heating, soaking, rechurning, reworking or otherwise, any cream, milk, skimmed-milk, buttermilk or water to cause such butter when so treated to contain over sixteen per centum of water or less than eighty per centum of milk fat.

Mr. BOURASSA: Mr. Speaker, I cannot agree to the second reading of the bill, because on its face—

Mr. SPEAKER: The hon. member who moved the second reading of the bill having spoken in reply, and as it was obvious to the house that he was doing so, the debate must be considered closed.

Mr. MACKENZIE (Vancouver): I rise to a point of order, Mr. Speaker. While the rules are in a degree new to me, I understand that when an hon. member moves a substantive motion he has the right to reply. Does that apply to a motion for the second reading of a bill? My impression is that it does not. If that is so, I submit, sir, that it was not permissible for the mover of the motion for second reading to address the house a second time. I submit that the debate is not concluded and therefore the hon. member for Labelle (Mr. Bourassa) is in order in speaking.

Mr. BOURASSA: On the point of order, Mr. Speaker, I submit that the rule which you have just invoked applies to a substantive motion; but I have never known it to be applied in the case of the second reading of any bill.

Mr. STEVENS: Always.

Mr. BOURASSA: Technically there was no reply, for the hon. member who moved the second reading of the bill was not in order when he spoke the second time. That, I respectfully submit, was where the rule was broken.

Mr. COOTE: We certainly understood at this end of the chamber that the mover was speaking only on the sufferance of the house. According to the rule he had no right to speak a second time.

Mr. BOURASSA: There is no reply on the second reading of a bill.

Mr. SPEAKER: A motion that a bill be read the second time is, I take it, a substantive motion, which is open to amendment.

Mr. MACKENZIE (Vancouver): With deference, Mr. Speaker—

Mr. BOURASSA: Besides, there was an amendment before the house.

Mr. SPEAKER: There appears to be a general misunderstanding as to the mover having spoken in conclusion of the debate, and inasmuch as other hon. members evidently wish to speak, the house might, I think, consent to a further consideration of the matter.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, it seems to me that too frequently parliament enacts penalties which are altogether out of proportion to the offences which those penalties are designed to restrain. The objection made by the hon. member for Quebec South (Mr. Power) is absolutely well taken, and I believe the object of the bill is in danger of being defeated. I would point out that the law as it stands is being violated daily in the city of Montreal, precisely for this very reason, that the existing penalties are considered too severe. May I give the house the benefit of an inquiry which I have myself conducted on a small scale. So far as my constituency is concerned, I am interested in the dairy industry; but I have at heart also the interests of the people who consume butter in the city. In conversation with one of the largest butter dealers in Montreal a few weeks ago I obtained a series of documents for my private consideration. I asked my informant whether I might produce them in the house, but he declined to give his permission on the ground that this might hurt his business; but, he said, if an inquiry were ordered by parliament, he was prepared to come and testify. He gave me certificates of analyses of butter sold in Montreal by thousands of pounds—analyses made by independent chemists, men high in their profession, chemists associated with some of the most important institutions in Montreal. He had also analyses made by the official analyst. One analysis would represent a particular lot of butter as absolutely pure, while another analysis would report it to contain from 10 to 12 per cent of foreign matter, probably cocoanut oil. I asked him what the effect of this was. He said it was simple. Cocoanut oil costs 7 cents per pound, and butter was then selling at 35 cents. If, therefore, 10 per cent of one commodity selling at 7 cents went to the production of an article sold at 35 cents, one could readily see what the profit would be. I asked him how such a state of things could exist, and he replied that it was done on such a large scale, that there were so many people interested in it, that it had become almost impossible to secure from government officials certificates which would disclose the truth. I was informed that private detectives had been hired to go as consumers to the government analyst and ask to have analyses made of butter, and the reply would be, "Is is absolutely pure. We know the dealers and they are quite respectable people." Now, are these analysts deceived by the shippers of the butter, or is fraud to be imputed to them? I do not know. I do know, however, that the practice prevails on a very large scale in Montreal to-day; and before we increase the penalties and make them such as neither magistrates nor government analysts will be very much inclined to see imposed, I think it will be far better for us to inquire into the present conditions of the retail butter trade in the large centres to ascertain whether the fraud is perpetrated at the point where the butter is produced or is perpetrated by the traders in Montreal and other places. Many frauds are perpetrated in the drug business and others, and, as the Minister of Justice (Mr. Guthrie) has pointed out, the penalties are in such cases less severe. Before we proceed to give the bill its second reading I would impress upon the house the danger of enacting legislation which imposes penalties that are not likely to be applied for the reason that they are altogether unreasonable. It would be far better to have a strict and thorough application of the laws that now exist than to enact more rigorous penalties which will only tend to perpetuate the present system, which is injurious to the public as well as to the trade.

Mr. A. W. NEILL (Comox-Alberni): I can corroborate the remarks of my deskmate (Mr. Bourassa) as regards the futility of unduly severe punishment. I have been a petty magistrate for a number of years and, knowing what human nature is, I am aware of the disposition of the magistrates to give an accused the benefit of a very slight doubt rather than subject him to a severe penalty which common sense and human nature alike condemn. I represent a great many dairymen and I have much sympathy with the idea of putting a stop to any illicit trade in oleomargarine; but I believe that this bill would defeat its own ends. I might give an illustration from recent experience in British Columbia. For many years there has been the practice there of pit lamping. A man goes out with a miner's lamp strapped to his forehead, and in the dark the eyes of animals show up conspicuously. The man fires between the eyes and kills, supposedly, a deer. As a matter of fact, he very often kills somebody else's stock. One man got into his neighbour's herd and killed five of them before he discovered they were not deer. The practice led to so much killing of stock in this way, that the government made up its

mind to put a stop to it, pretty much in the way this bill proposes to deal with the matter now under consideration. They enacted a penalty of 30 days in gaol without the alternative of a fine, increasing the penalty for second and third offences. The result was that the magistrates winked at all kinds of breaches of the law rather than send decent men to gaol. Recently the government, after fourteen or fifteen years' experience of this law, have abandoned it and gone back to the old system, leaving it in the power of the magistrate to impose reasonably severe money penalties and not to send people to gaol for a first offence. While in sympathy with the bill, I believe that a penalty which is out of proportion to the offence will only defeat the object in view.

Mr. SPEAKER: The hour for consideration of public bills having expired the house will now revert to committee of supply.

PRINCE AND PRINCESS TAKAMATSU

VISIT OF THEIR IMPERIAL HIGHNESSES TO CANADA—MESSAGE OF APPRECIATION FROM THE EMPEROR OF JAPAN

Right Hon. R. B. BENNETT (Prime Minister): Before you leave the chair, Mr. Speaker, in view of the fact that we have recently entertained their Imperial Highnesses the Prince and Princess Takamatsu, I think the chamber would be interested in knowing that His Excellency the Governor General has received from the Japanese minister at Ottawa a cablegram from the Japanese foreign minister, reading:

The Emperor is highly gratified with the hospitality shown to the Prince and Princess Takamatsu by Their Excellencies the Governor General and Lady Bessborough, and with the cordial reception accorded to Their Imperial Highnesses by the government and people of Canada. I am commanded to authorize you to convey to His Excellency His Majesty's personal appreciation.

There is also a despatch from the Japanese minister in this city, expressing on behalf of our recent guests their deep appreciation of the hospitality extended them by the Canadian people.

SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

The house in committee of supply, Mr. MacDonald (Cape Breton) in the chair.

The Canada Grain Act, including management, operation, maintenance and equipment of elevators, administration of, $2,681,000.

Mr. VALLANCE: Mr. Chairman, when the committee rose at six o'clock I was asking permission to place on Hansard without the reading thereof two letters to which I had referred. I find it almost impossible to accept that privilege from the committee because there are, I believe, members on both sides of the house who are very much interested in these letters; indeed, I do not believe an intelligent discussion could be carried on without a knowledge of their contents. The first letter, written by Mr. Robert Whiteside, to the former Minister of Trade and Commerce, Sir George Foster, dated at Dunblane, Saskatchewan, January 19, 1920, reads as follows:

As your humble servant I desire to seek information which will explain fully the motive our federal government had in undertaking to take over and sell the wheat crop for the year 1919. We fully understand the motive for selling the crop in 1917 and 1918, but one thing we don't know nor have we ever had any report on the same and that was what was the price the government got for the wheat that was exported in the year 1918. We know the growers received $2.26½ f.o.b. Fort William but did our government sell it for export on this basis to appear to be good fellows when the price of American wheat was $2.40 to $2.60 or did some one pocket the margins? Wheat and wheat products were the only foodstuffs the government controlled. We feel justified in demanding a report of the wheat that was exported and to get at plain facts regarding the 1919 crop. Every farmer in western Canada is under the impression that our federal government premeditated and entered into an agreement to handle the wheat crop to make gains for themselves at our expense. Note I said federal government; it may have been only members of our government, at any rate it has been reported quite frequently and in bold statements that the time the grain exchange was opened our government did sell or offer for sale some 50 million bushels wheat to Great Britain at a price of $1.75 per bushel and not until the market was open did your government make any attempt to handle the wheat, and we all know the market was advancing and to take control of the wheat when it was at a price of $2.45 and attempt to offer to set a price of $1.75 or even $2.15 does not appear to the farmers as one of good faith, and for the Canadian wheat board to sell to our millers at $2.30 per bushel in the face of prices prevailing on all other products points out quite clearly that our federal government is out to do what it has always done and that is give the farmers second place. While I admit we were under military rule and the government had the authority to so act, the manner in which they acted does not show one of good faith, and if the report is really true that our government did sell or offer for sale a certain portion of our wheat any price in the minds of all well thinking men can only come to this conclusion that our government premeditated their action knowing they had power to control things to suit themselves. I further wish to say in all friendliness the farmers of western Canada are determined to demand a report and make an investigation to learn the facts. We intend to outline our plans, decide

on some action at our convention in Saskatoon in February and in writing this communication to you I do not overlook or underestimate the honour or high position you hold as a worthy member of our government. Neither do I go about finding fault or abusing our government while I know mistakes have been made and many wronged I have every confidence that the good citizens of this fair country will right the wrongs, develop the nation and restore prosperity. But the very fact that such reports have been circulated, which I hope are false, should prove to be true at this time will so lower our standard of government in the eyes of other nations and so upset the faith of our own people that it will be hard to describe the result when it is brought to light. Now the questions I desire an answer to are:

What was the price our government sold the wheat crop of 1918 for that is the wheat that was exported. Next did our federal government or members of our government sell or offer to sell fifty or seventy-five millions of bushels of our wheat crop of 1919 to the British government at $1.75 before they had made the final arrangements to market the wheat? I trust you will favour me with this information and hope it will be possible to receive a reply before the date of our convention February 10.

Some definite questions were asked of the then Minister of Trade and Commerce. Between the hours of six and eight o'clock I have gone through the correspondence but have failed to find that an answer was made to these questions. There is a suspicion in the minds of the farmers of western Canada that there is hanging over from the 1917 and 1918 crop sales a large sum of money which has never been accounted for to the farmers of western Canada. The Minister of Trade and Commerce (Mr. Stevens) crossed the floor of the chamber at eight o'clock and asked to be given an opportunity to look at the letters. As I said before, it would be almost impossible to discuss the question without a knowledge of these letters, and with the indulgence of the committee I will read the letter of Sir George Foster to Mr. Whiteside, dated January 27, 1920. It is as follows:

I have read your letter of the 19th. I am not, I suppose personally acquainted with you but take you to be an honest-minded, well-intentioned, intelligent man who seems to be troubled as to rumours and reports which reach him, from what sources I do not know, and which cause him doubts as to the actions and honesty of the federal government in this instance.

It would be a very long letter which would give you a full explanation of why the government in 1917 and 1919, took over the selling of the wheat crop. That, however, does not appear to cause you much trouble so far as the principle was concerned, but you have difficulty in understanding why a similar course was adopted in 1919.

[Mr. Vallance.]

The committee will note he is dealing with the 1917-18 crop, and makes no further reference to the disposition made of it or the price received for it. The letter continues:

In short the course adopted in 1919 was based upon the reasons which made government purchase necessary in 1917 and 1918. Although the war had stopped with the signing of the armistice, unfortunately the conditions caused by the war continued in an even more aggravated form. Under these conditions, as operating in foreign countries, the selling of our wheat crop for 1919 was rendered absolutely impossible owing to the financial and transport situation. Farmers, of whom I imagine you are one, should be pretty well satisfied as to the necessity for this inasmuch as it was demanded and has been consistently supported since the formation of the Canadian wheat board by the farmers of Canada as represented by the Canadian Council of Agriculture. As I stated above, to give you all the reasons would make my letter altogether too long and would probably not appeal to you in any stronger manner than the fact, which I have just mentioned to you, as to the opinion and wish of the associated farmers of Canada, themselves.

Now, as to the second part of your question, how much was received per bushel for the wheat sold, and did anyone pocket the money, and especially did the government or any of its members appropriate to themselves any part of the proceeds of the sale, from the tone of your letter I do not think you, yourself, really believe that that has been done, but you are disturbed by what other people say. I do not know whether or not you will take my word for it, but whether you do or not, I can assure you it would have been impossible for a member of the government or the government itself to have appropriated a single dollar of the proceeds of the wheat sales of 1917 and 1918 to their own purposes.

A board was established consisting of representatives of the different interests concerned—producing, milling, transport and the consuming interests. That board works without pay, being simply given a certain per diem allowance for expenses that they were called to meet in Winnipeg for consultation. The wheat was sold during the season of 1917 and 1918, as purchasers were found and, of course, for different prices owing to changes in the world's market price. As careful calculation as possible was made as to the expenses of storage, insurance and such necessary expenses which must be incurred in the storing, marketing and carrying of wheat. The government stood to lose any deficit in price received from that paid to the growers of the grain. In the end, after all expenses were paid, and the accounts closed a small surplus remained in the hands of the board of grain supervisors, the body that was established to conduct the buying and the selling of wheat. That surplus has been turned over to the consolidated revenues of Canada, on which no minister or anyone else can get his grip. It is safe in the banks to the credit of the Dominion of Canada and can only be chequed out for legal authorized expenditures. It was fortunate, during the course of these two years' operation that the government was able to give the farmers the price that was given and avoid any loss in the transaction. If the markets had turned a little different.

while the farmer would have received his price, the country as represented by the government would have had to pay the deficit. Now as to the year just passed, 1919, the Canadian Wheat Board was established with the same interests represented thereon. This board also is in the main giving its services to the country freely and without pay. Of course, clerks, etc., and managers have to be paid for the work they do but that has to be done whether the marketing is done by the government or private traders, as you quite well understand. The farmers receive a stated amount as a first payment upon their wheat. This, of course, they receive whether the market price goes up or goes down. As in the case of the two preceding years the government, if the price goes down, will be liable for the deficit. If the price maintains its level or advances, the government nor any member thereof receive nothing of that amount. After the expenses of marketing are paid. if there is any surplus—

Now, mark this:

—as I believe there will be, this is divided amongst the farmers who were the original sellers of the grain. That is, under the arrangement, the farmer gets all that the world's market price makes possible. He gets a first payment on his wheat on the basis of $2.15 No. 1 Northern and gets his proportion of the surplus which may be left at the end of the transaction.

I think this may explain to you the query raised in a part of your letter. You state that every farmer in western Canada is under the impression that our federal government premeditated and entered into an agreement to handle the wheat crop to make gains for themselves at your expense. Now, as a sensible man, do you really believe that? Note what I have stated to you as the recommendation and claim made by the Council of Agriculture representing the farmers of the Dominion. Therefore, "every farmer" is too strong, and you will certainly have to modify that, and I am not going to take up my time or yours in controverting a statement of that kind. I do not think you really believe it. It is impossible that such should be the case, and it is contrary, of course, to the fact.

You also make another statement as current, whether you pledge yourself to its belief or not, namely, that at the time the grain exchange was opened the government did sell or offer for sale fifty million bushels of wheat to Great Britain at $1.75 per bushel, to be paid to the farmers for their grain, and then took charge of the market when the price was at $2.40 or thereabouts with a view of appropriating to their own uses the difference between that price and the market price of wheat.

There is not a word of truth in that statement. The government did not sell a bushel of the farmers' grain in 1919. All has been sold by the wheat board under the conditions that I have explained above, and all that is in it will go to the farmers less the necessary expenses of the operation.

Now, I have spent a lot of my time and taken up a lot of yours in trying to answer quite frankly, because I take it to be the letter of an honest man and it is, to me, passing strange, in the first place, that such absurd rumours could find currency amongst intelligent people, and secondly, that there are good, honest, intelligent people to take so much stock in them as to be troubled thereby.

If you were listening carefully, Mr. Chairman, you must have noted that there was no mention made of the price that was received for the 1917 and 1918 crops. The government paid at that time $2.21½ as an initial payment. Wheat on the world's market went from $2.40 to $2.60, and we were under the impression that the government was at that time delivering to the allied nations wheat at the price they were paying to the farmer. We find now to the contrary; and we would therefore ask the minister, if he is not in a position to do it to-night because of lack of information, to make a statement to the house at some future time giving a detailed account of the receipts and sales of both the 1917 and the 1918 crops. That accounting, to the best of my knowledge, has never been given to the farmers.

Regarding the 1919 crop, it will be noted that Sir George Foster makes mention of the fact that after the 1919 crop was sold if there were any moneys left they would be disbursed among the farmers who had delivered the wheat. The Minister of Trade and Commerce knows well that that has never been done. While we are not positive as to the amount of money that was left over from the sale of the 1919 crop, we know that some of that money has been applied in the interests of agricultural research work, but to my knowledge not a further cent has gone to the primary producer. I would ask the minister, to-night if possible, to clear those two points up, to give to the house and the country a statement regarding the sales and receipts of the 1917 and 1918 crops, and what moneys were left over, if any; and the same information with regard to the 1919 crop.

I would suggest to the minister that as this question seems to be of such vital importance, it should be referred to the committee on agriculture where we can examine witnesses who may have any information to give. This is a matter that has been hanging over since 1919. Some day we shall have to have a showdown, and the sooner we do it the better pleased I think the farmers will be.

Mr. STEVENS: My hon. friend (Mr Vallance) has opened up a question which really finds its basis in a series of letters which were written by a gentleman named Robert Whiteside from the province of Saskatchewan in the year 1920, and which were answered most painstakingly I think, by the then Minister of Trade and Commerce, Sir George Foster. The letters really might be summarized in this way:

Mr. Whiteside retails to the minister complaints that he hears and suspicions that he

himself and others entertain to the effect that in the handling of the wheat crop during the years 1917, 1918 and 1919 full value was not returned to the farmers of western Canada. So far as I have been able to see, he does not in his letters support either with evidence or facts his suspicions or the rumours he alleges. In the last letter to which my hon. friend from South Battleford has referred, Mr. Whiteside asks certain questions, and my hon. friend indicated that he did not think that Sir George Foster completely answered them. I think that a little further examination of the latter part of Sir George Foster's letter will clear up that point. If not, I can supplement it with one or two observations.

Let me say at once that I am not at all criticizing the hon. member for South Battleford for bringing this matter forward, because I think it is highly desirable that it should be cleared up. Whether or not there are any grounds for the allegations made or suspicions entertained, it is a very disagreeable thing to have such rumours running loose in the country. Mr. Whiteside asks:

> What was the price our government sold the wheat crop of 1918 for?

And another question:

> Did our federal government or members of our government sell or offer to sell 50,000,000 or 75,000,000 bushels of our wheat crop of 1919?

In regard to the first question I would say that Sir George Foster was not at the time in a position to give the details as to just what price the wheat was sold for. It is quite well known and accepted I think by practically everyone throughout western Canada that the wheat board—

Mr. VALLANCE: The wheat supervisors?

Mr. STEVENS: The board of grain supervisors under Doctor Magill, which consisted of representatives of the producers, the millers, the dealers and the consumers, discharged their functions honestly and well. I think it is generally accepted that this body of citizens discharged a public service and a public duty. If in the present day the house were to demand an audit of the transactions which took place in the years 1917 and 1918 I might as well say they would be asking for something which would be very very difficult to carry out. The making of that statement should not in the slightest degree detract from my other statement, namely that the board of grain supervisors at that time discharged its duties to the entire satisfaction of everybody.

Mr. Whiteside's letter implies that members of the government of the day sold

50,000,000 or 75,000,000 bushels of wheat on the grain exchange in Winnipeg and made a profit. That is the suggestion. Well, in answer to that I would say, if I may be allowed to use a rather strong expression, that the statement is absurd. My reason for saying that is that no member of the government handled a single bushel of wheat—not a single bushel—nor did the government as a whole do so. That wheat was handled by the wheat board, a properly organized body. Why was the wheat board appointed? The British government had a controlled market; they bought their wheat under government direction an control; there was not an open market. Canadian dealers could sell wheat to the British government only through some organized body.

Mr. VALLANCE: Did the British board buy all exports into that country at a fixed price from all sources, the same as they did from Canada, or did they fix the price at all?

Mr. STEVENS: I cannot answer that question categorically, but I will give my friend my best recollection. I make my statement subject to correction, because these things happened many years ago and personally I did not have anything to do with them. From time to time the British government would make a bargain or an arrangement for the purchase of wheat from other sources. I refer to Canada, Australia, United States and other wheat producing countries. The prices would be fixed. The wheat board, however, guaranteed to the wheat producer an initial price, adopting a plan similar to that which the pools have since followed. In this instance I think the price was $2.21 per bushel, if I recollect aright. That was the intial price given. Then a participating certificate was given to each person who sold wheat. It is true that a number, small in comparison with the whole, of those receiving participating certificates thought the certificates were worthless and destroyed them. Those who retained the certificates and presented them afterwards received a small dividend.

An hon. MEMBER: Forty-eight cents.

Mr. STEVENS: Yes, a very substantial dividend. I thank my hon. friend for giving the amount, as it had escaped my memory. At any rate through ignorance or carelessness a few people destroyed their certificates and as a result those certificates were never redeemed. The result was that there was left in the hands of the board a sum which amounted to $467,000. Again I speak subject to correction.

Mr. MOTHERWELL: That was in 1919?

Mr. STEVENS: Yes, 1919.

Mr. MOTHERWELL: A little over $500,000.

Mr. STEVENS: Probably my hon. friend is right. Out of that sum an expenditure was made subsequently for seed relief, leaving in the treasury to-day, or in the consolidated fund, a sum of about $173,000. These figures I have given from memory. I think however it is obvious to all hon. members that to have attempted a subdivision of this sum amongst all the vendors of wheat would have been a useless task, because the division would have resulted in a unit so small in each case as to make it unnecessary and quite useless. That, I think, is the whole story.

Mr. VALLANCE: The minister is referring only to the 1919 crop. There has been no reckoning of the 1917-18 crop. We know about the 1919 crop, and we agree with the statement made by the minister in that regard.

Mr. STEVENS: The statements in regard to the 1917 and 1918 crop, were presented by the board of grain supervisors. With the exception of this one instance I think they have never been called in question. Even now they are not called in question by allegation backed by any substantial statement or evidence but merely because of suspicion or rumour. I think my hon. friend from Melville (Mr. Motherwell) and other hon. members of the house who come from western Canada and who were active at that time in the matter of handling the grain crop will bear testimony to the efficiency and fairness with which the board of grain supervisors discharged their duty. I confess that while I recall taking a very great interest in the matter myself I do not not remember a single complaint regarding the administration of that board. I make that statement with force because in 1920 on the floor of the house I opposed the continuance of the wheat board. I merely mention that fact to show that I was not an advocate of the system and I gave it a great deal of study at that time. I do not recall any complaint however, and as I say if the complaint made by Mr. Whiteside were fortified with something of a tangible nature which would warrant our reopening the whole question fourteen years afterwards, I would not hesitate to say, reopen it. I submit to the house however that to embark at this time upon an exploration of those activities would be very unwise. The chairman of the board has passed into the great beyond, and I have no doubt that other members have also passed on. The officers and the staff have disappeared. To make an investigation would be an impossible task.

Mr. VALLANCE: Surely the facts are on record. There must be a record.

Mr. STEVENS: Reports have been made. I do not know, but I assume that records may be found somewhere. But surely those who have had to do with the question of grain certificates and the innumerable documents involved would shudder at the task of reopening the matter and conducting at this time an audit of that business.

Mr. VALLANCE: There is money at stake, Mr. Chairman.

Mr. DONNELLY: What has been brought out to-night, Mr. Chairman, is a most wonderful thing to me, and I do not know anything else that has disturbed the minds of western Canada just as much as this has. There has never been a thought concerning the 1919 crop; we realized that all that was left over on the sale of that crop was returned to the farmers. I want the government and the Minister of Trade and Commerce to keep the 1919 crop absolutely distinct and separate from the 1917 and 1918 crops. The latter are the two crops that we are dealing with right now. You say there was no question in the minds of the farmers of western Canada concerning the handling of the 1917 and 1918 crops. I grant you that, because there was never in the minds of the farmers of western Canada any question but what this wheat was being handed over to the allies in England at a price of $2.21. We thought this was being handled by the board of supervisors, and that it was being handed over by them to the British import purchasing board at that price of $2.21 Fort William. No one thought that there was anything left over. The farmers of western Canada said: "This is a patriotic gesture by the western provinces of the part they are taking in the war". They suffered for it. That was the only commodity on which the price was fixed. While we were being paid $2.21 for our wheat we saw the price in Chicago go up to $3. But to-night we get this letter, and I want to draw the minister's attention to these words:

> The wheat was sold during the season of 1917 and 1918 as purchasers were found, and of course for different prices owing to changes in world's market price.

Not for the $2.21; he does not say so; he says that it was sold at the market price. If we take the market price from day to day

for those two years down in Chicago, which would be ours practically, we find that from $70,000,000 to $100,000,000 was taken out of the pockets of the farmers of western Canada, and we want an accounting.

Some hon. MEMBERS: No, no.

Mr. DONNELLY: Yes, look it up. Take the quantity of our wheat sold in those years, and it can be distinctly shown that there was a difference of $70,000,000 to $100,000,000 between our price and the price that prevailed in Chicago. I think it is only right that we should ask for an accounting.

An hon. MEMBER: Why did you not bring it up in the last nine years?

Mr. DONNELLY: It was not thought of.

Some hon. MEMBERS: Oh, oh.

Mr. DONNELLY: I want to tell you right here that there was not a question of doubt ever raised in the mind of one farmer in western Canada, not one. They all believed that their wheat was sold at $2,21. I leave it to any of my hon. friends here from the west to say whether that is not so.

Some hon. MEMBERS: Hear, hear.

Mr. DONNELLY: If you had gone into the west and told them that their wheat had been sold at the market price they would not have believed it. It was not until this year that it was brought to their attention that this was the case. This man received a great deal of credit for having brought it to the attention of the farmers of western Canada. It is a serious thing. I think it is time we got an accounting. There must surely be returns for each of these years.

Mr. STEVENS: May I interrupt my hon. friend for one moment? Mr. Whiteside said that he interviewed Sir George Foster in January 1920. He continued:

We—

Using the plural.

—intend on some action at our convention in Saskatoon in February.

That would be February 1921. So the matter must have been fully discussed then.

Mr. DONNELLY: Excuse me, it never was brought up at any of our conventions until this year. Before this no one paid any attention to it whatever. I leave it to anybody who comes from the west to contradict that. They know very well that absolutely no one thought that this wheat was handed over at the market price. I did not believe it until this year.

[Mr. Donnelly.]

Mr. GOTT: You did not believe it for nine years?

Mr. DONNELLY: Yes, and we were foolish enough to believe the government in power at that time was honest.

Mr. ROGERS: Mr. Chairman, probably I can throw some light upon the matter of the sale of our wheat during the years mentioned by hon. gentlemen opposite. In 1917 I went to England with Sir Robert Borden and Sir Douglas Hazen to attend an Imperial conference and to look after other matters. The price of wheat went up to rather a high figure by reason of the fact that a large portion of the 1916 crop was damp.

Mr. STEVENS: Off grade.

Mr. ROGERS: Yes, off grade. Naturally this portion of the wheat was not very suitable for shipment. Then the matter came up in England about that particular crop. The story is too long to tell now and I will not delay the committee except to say that we considered the crop on the basis of No. 1 northern at $3 a bushel.

Mr. YOUNG: Was that f.o.b. Fort William?

Mr. ROGERS: Yes.

Mr. MOTHERWELL: The 1917 crop?

Mr. ROGERS: The 1916 crop. Mr. Lloyd George said it was very fine to have that settled, and the night following the arrangement he made a speech in the Guildhall and told the story of his having bought this large quantity of wheat, something like 100,000,000 bushels, and assured the people that there was plenty of food to carry on the war until next year. Then the question came up before the war cabinet as to what price they would have to pay the year following. They thought that $3 a bushel on the basis of No. 1 northern was a very high price; and so it was. I was asked by the then Prime Minister of Great Britain if I would not fix a price for our next wheat crop. I replied that we in Canada could not do that because the minute we fixed our price, say, at $2, the Americans would put up their price a good deal higher, and this would mean a lot of bootlegging of wheat across the border from the western provinces to the American side and would involve a great deal of trouble and difficulty for everybody. They saw the force of this objection and they said, "Well, will you fix a price for the wheat you grow in Canada?" I answered, of course, that I could undertake to do so only if they would find a way of getting the United States to agree to a price. At the same session of the war cabinet Mr. Balfour was selected to go

to Washington to see if he could not make the necessary arrangements with the American government. I went the length of assuring him that whatever price the Americans would agree to take for their crop we would also take for ours. Mr. Balfour went to Washington and later came on to Ottawa. On the day following our return to Ottawa Mr. Balfour came to this city, and when he got off the train at the platform here and shook hands with a lot of people who were there to meet him, he came over to me and drew a small sheet of paper from his pocket, which he handed to me to read. That sheet contained the proposal of the United States, which was that they would be ready to sell their wheat at $2.21 per bushel provided Canada would agree to a similar proposal. While I read that Mr. Balfour was standing beside me. I handed the sheet of paper back to him and he said, "Well, what do you think about it?" I answered, "We will agree to that price also," so that price was fixed, and it lasted for two years. At that time I wired Winnipeg asking a number of the grain exchange men to come to Ottawa so that they would understand all the facts. They came down here and we had a meeting in Sir George Foster's office, where we went over the whole case, and they were entirely satisfied.

As for the 1917 and 1918 crops, they were sold on the basis of $2.21 per bushel, and the farmers of western Canada went to any elevator with their wheat, got their money and took it home with them. So there was nothing wrong, and there was no chance of anything being wrong in respect of those two years. Mr. Whiteside is entirely mistaken in his statement with regard to those years.

Mr. VALLANCE: May I ask a question? When you summoned the grain trade to Ottawa, did you summon only the grain trade or did you summon producers as well? Did you give any consideration to the producers and ask them whether the proposal was acceptable to them?

Mr. ROGERS: No, I did not summon anyone except those who were handling the grain of western Canada. I have never heard of any individual who was dissatisfied with the arrangements which were made for the sale of the crops of 1916, 1917 and 1918 at $2.21 per bushel. Those who seemed to be dissatisfied were some of the men in western Canada whom you would expect to be the last to have any such feelings.

I was explaining that I asked several people to come down from Winnipeg. I telegraphed the president of the grain exchange to send down six or seven of the best men to consider these proposals. They wired back that they could come the next day, and they did come. Then some friend of mine in Winnipeg wired me that they should have selected Mr. Crerar and Mr. Wood, who was then down in Winnipeg from Calgary, and someone else, whose name I forget. I immediately wired these men individually and invited them to come to Ottawa, and we postponed any discussion of the matter until their arrival, when we went into the whole matter.

Then there was no supervising body, and this is what happened: At our meeting in Sir George Foster's office we were discussing any difficulties which might arise, especially any difficulties as between New York and the grain centres of Canada. Mr. Thomas Carruthers, who was then alive, and who was a large grain man, suggested that we should have a committee of certain members of the grain exchange in Winnipeg in case anything went wrong. The idea was that this committee could settle it up quickly, and members of the grain exchange in Winnipeg had the advantage of a direct telephone connection over which they could talk as long as they pleased to New York. If any difficulty did arise, then Mr. Carruthers and Mr. A. P. Stewart, another large grain man in Montreal, would be able to get on the train at night and go to New York and settle up the matter the next morning, so there would be no unfavourable publicity with regard to any mistakes which might occur.

Mr. McMILLAN (Huron): Mr. Crerar and Mr. Wood both came to Ottawa?

Mr. ROGERS: Yes, and then I was asked to name a number of individuals who would see to it that any mistakes which might occur would be attended to immediately. I placed Mr. Wood, Mr. Crerar and someone else on that little committee which was to become active as soon as the grain began to move. When they held their first meeting on September 12, 1917, they called themselves the board of grain supervisors, but they were really a board designed to prevent any trouble or difficulties from arising, or to settle any difficulties which might arise so there would be no public fuss between the Americans and the Canadians in respect to the carrying out of this contract.

On September 12 these gentlemen met at Winnipeg in order to fix their plans and to determine how they would be called in if they were required, and so on, but they went further. Mr. Crerar moved that the price of No. 1 Manitoba northern be $2.18 per bushel. This motion was seconded by—

Mr. CAMPBELL: That is, $2.18 to the farmer?

Mr. ROGERS: Yes, $2.18 to the farmer, and that motion was supported by Mr. Wood, president of the United Farmers of Alberta and at that time president of the Canadian Council of Agriculture. The motion was carried by a majority of the board, though it was strongly opposed by the chairman of the board and Mr. Rathwell. Because of this opposition the board reconsidered the motion and fixed the price of wheat at $2.21.

Mr. TOTZKE: What is my hon. friend reading from?

Mr. ROGERS: I am reading from the memorandum given me by Dr. Magill, who was the secretary and president of that board. This is his own document, given me for purposes of reference. So the fixed price, as arranged between the United States, Great Britain and Canada, was the price paid to the farmer for his wheat. England agreed to pay any price Mr. Balfour could get fixed in the United States and Canada, and I agreed that whatever price Mr. Balfour could get the United States to fix would be satisfactory to us. When he came here and it was all settled, he told me he was going home the happiest man who ever crossed the ocean. He said it was a great and successful trip for him, and that his people were entirely satisfied to pay the price of $2.21.

Mr. YOUNG: Did the United States stick to the agreement?

Mr. ROGERS: Absolutely.

Mr. VALLANCE: Then all wheat sold by the United States to the British government—

Mr. ROGERS: Every bushel was sold at $2.21.

Mr. SPENCER: On the basis of No. 1 northern?

Mr. ROGERS: Yes.

Mr. DONNELLY: My hon. friend said a portion of the 1916 crop was confiscated, and that $3 a bushel was paid for it.

Mr. ROGERS: No, it was sold at that price.

Mr. DONNELLY: To whom did you pay the $3 a bushel?

Mr. ROGERS: The people got it. Whoever had wheat in this country got every cent of it. They all got it. There was not one sixpence taken out of it in any shape or form.

Mr. BROWN: On Fort William basis?

[Mr. Rogers.]

Mr. ROGERS: Fort William basis, No. 1 northern.

Mr. DONNELLY: The farmers never got $3 a bushel for any wheat.

Mr. ROGERS: Remember there was a lot of tough wheat that year—nearly seventy or eighty million bushels of tough wheat.

Mr. YOUNG: That would not make it worth more.

Mr. ROGERS: No; a lot less. Those are the actual facts. They got more for their wheat that year than they did before or have done since. That is the explanation.

Mr. MOTHERWELL: The hon. member for South Winnipeg (Mr. Rogers) has made one valuable contribution to this debate; he has let us know what the price of wheat at Fort William was in 1916. The farmers know what it was in 1919; it was $2.63. Add the two together and your average is $2.80. Why guess any more about what we got in 1917 and 1918? There is approximately what we got—$2.80. But why should we have to guess when there are the records? My hon. friend's memory, I believe, is correct. But why should we take an hon. gentleman's memory as against the records? That is extraordinary. There were three boards successively in 1917, 1918 and 1919 and in each case there was a surplus. It was brought to the attention of the late government that there was about half a million of a surplus in 1919. Two or three deputations waited upon the government and the Minister of Finance at that time, claiming that such surplus was theirs, the farmers': but the late Mr. Robb had to be shown that it was. He would not pay the money until it was absolutely proven that it belonged to the farmers and not to the treasury. He knew that it had been put into the general revenue fund, but he would not pay any of it out to anyone until it was shown, as finally it was, that he was justified in doing so. There was distributed to the farmers some $400,000, leaving in the treasury $100,000 to take care of any possible participation certificates which, having been lost, might eventually turn up. But we are not discussing that at all. I merely wish to show what disposition was made of the surplus that went back to the farmers through their respective provincial governments in 1919. I have shown that. Now what disposition was made of the other two surpluses in 1917 and 1918? That is what my hon. friend from South Battleford wishes to know. The minister says it was a long time ago. But my hon. friend from South

Winnipeg is able to supply us information from memory. And Sir George Foster said there was a surplus which went into the treasury of Canada; it went into the general revenue fund. Why surround the matter with all this mystery and talk?

Mr. STEVENS: There is no mystery.

Mr. MOTHERWELL: Well, there seems to be a desire to becloud the issue: No one disputes—

Mr. SHORT: You had nine years to pay it; why didn't you?

Mr. MOTHERWELL: No one disputes the way it was conducted or the way the business was handled. All the boards were conducted exceedingly well. But we never knew until last fall that there was such a condition of things, and when the farmers came to the former government asking for the surplus of 1919 it was never suggested to the then government that there were surpluses for 1917 and 1918 also. I never knew it; I never heard about it until last fall. I see some hon. gentlemen grinning over there. If they think this is not right let them get up and prove that there is reason for that kind of incredulous smile. We are dealing now with the years 1917 and 1918. The minister knows that there were surpluses. He knows that Sir George Foster has admitted it. And the money went into the general revenue fund of Canada. Now, can we not find out how much it is? Can we not make the same disposition of it as was made of the overages of 1919? We did not get it easily in 1919; we had to prove our case. I suggest to the minister that the same practice be followed that was set up by the late government in regard to overages in 1919. Let us look into the matter; let us refer it to the committee on agriculture; let the officers of the department find out what the facts are as set out in the last report of the board of grain supervisors. I saw the 1919 report myself. There was a final report indicating the disposition of the moneys and there was a cheque covering the surplus. There must be the same sort of report for 1917 and 1918 respectively. Let us have those reports.

Mr. ROGERS: Have we any for 1917 and 1918?

Mr. MOTHERWELL: What is the report of the board of grain supervisors for 1917 and 1918? There must be one somewhere. What was the total revenue secured for wheat in those two years' what was the total disbursements, and how much went into the government's pockets—not the individuals. None of us ever conceived of a particle of wrongdoing in connection with the minister. They simply let it get abroad, as the hon. member for Willow Bunch said, that anything that was over went to the British purchasing commission. As a matter of fact it went into the Dominion treasury. Now, we are not making contributions of that kind to the Dominion treasury in addition to paying our regular taxes; and inasmuch as the west has not been able to get anything from the government in reply to the reasonable requests made this year, not only by ourselves here but by the farmers, the ministry might very well come across with what they owe us in the same way that the government led by my right hon. leader did in 1919. According to my calculations, if the price of wheat was $3 in 1916, on the basis of No. 1 northern, and $2.63, on the basis of No. 1 northern, in 1919, it is obvious that the price for 1917 and 1918 must be somewhere in between. So that, as I see it, the farmers have at least 50 cents a bushel coming to them yet for these two years. Mr. Whiteside was not so far wrong.

Mr. ROGERS: May I say to my good friend that the farmers went to the grain elevators and got $2.21 and went home with it.

Mr. MOTHERWELL: That is right; and the government got the balance.

Mr. ROGERS: Where do you get the surplus?

Mr. MOTHERWELL: Where do I get the surplus? The government was handling the wheat and Sir George Foster officially says surplus went into the federal treasury.

Mr. ROGERS: They didn't have a thing to do with it.

Mr. MOTHERWELL: Then refer to the record.

Mr. VALLANCE: Sir George Foster was Minister of Trade and Commerce, administering the grain act at that time, and the board of grain supervisors was under his control. He said:

> In the end, after all expenses were paid and the accounts closed, a small surplus remained in the hands of the board of grain supervisors, the body that was established to conduct the buying and selling of wheat.

An hon. MEMBER: That was for 1919.

Mr. VALLANCE: No, it was not. Let me finish the quotation:

> Now, as to the year just past, 1919—

Then he deals with that. Surely if there is even a small surplus it should be cleaned up. Let us decide it once for all, because I am rather suspicious, with all due respect to the minister and the officials. When I asked for the return these two letters were not there, but there was that letter of Sir George Foster. They failed to take that one off or we should not have had any record of this. There was a slip somewhere, and that makes us doubly suspicious, notwithstanding what the minister has said. I believe he is sincere, but we still believe there is money there. If not, we want to know.

As regards the question which an hon. member opposite has asked, as to why we did not clean it up nine years ago, this is not a political matter, and the administration at that time was not recognized in the country as a Tory government. It was the Union government. Why, therefore, should the hon. gentleman object to anything being raked up as to what they did? I see many hon. members sitting behind the government to-night who should be just as keen as we are to have the matter cleaned up, and I respectfully submit to the minister again that he refer the whole question to the committee on agriculture and allow this item to stand until it has been investigated.

Mr. STEVENS: Mr. Chairman, the hon. member who has just taken his seat (Mr. Vallance) has referred to a letter written by Sir George Foster, the last letter in the series. I am sorry he has suggested there is some reason for leaving this letter out of the file, and I would again assure the committee, as I have done already, that I knew nothing whatever about it. This return was prepared by the officers of my department and I have every reason to believe that it was prepared in good faith. The correspondence is twelve or thirteen years old, and although this letter should not have been overlooked, it was not done intentionally. The answer to the question asked by my hon. friend is this: On April 19, 1921, Sir George Foster wrote to Mr. Whiteside, complainant in this case, as follows:

> Yours of April 4th has been duly received. You will have noticed that the membership of the commission to investigate the handling of grain has been completed and I hope will be at work in a short time.
>
> The amount turned into the consolidated revenue fund by the board of grain supervisors was $428,781.94.

An hon. MEMBER: That is 1919.

[Mr. Vallance.]

Mr. STEVENS: Just wait a moment, please. The letter continues:

> The wheat board has not yet completed its accounts but it is probable that there will be a small surplus to be gathered into the treasury when all accounts will have been adjusted.

If the committee will notice, Sir George Foster has differentiated between the two bodies, the board of grain supervisors, which had turned in $428,781.94, and the wheat board, which had not completed its transactions. As a matter of fact, the business of the wheat board dragged on for seven or eight years because these participating certificates kept turning up and were taken care of out of the remnants of the fund.

Mr. VALLANCE: You are referring to 1919.

Mr. STEVENS: I know I am, but if my hon. friend will content himself for a moment I will endeavour to explain. The board of grain supervisors, that is the 1917-18 board, turned in $428,781.94, according to the statement given ten years ago to Mr. Whiteside by Sir George Foster.

Mr. MOTHERWELL: Which year was that?

Mr. STEVENS: That was for the year 1917-18.

Mr. MOTHERWELL: Was it for both 1917 and 1918 or one of them?

Mr. STEVENS: He says, "The amount turned into the consolidated revenue fund by the board of grain supervisors was $428,781.-94."

Mr. McINTOSH: What was the final disposition?

Mr. McMILLAN (Huron): What date is that?

Mr. STEVENS: April 19, 1921.

Mr. McINTOSH: Was that the final disposition for 1917-18?

Mr. STEVENS: Yes. Then he adds:

> The wheat board—

That is the board of 1919.

> —has not yet completed its accounts but it is probable that there will be a small surplus to be gathered into the treasury when all accounts will have been adjusted.

I sent to the library for the report of the wheat board but as yet I have not had time to look into it. We have had a full day on this matter; the questions raised are important, and I should like to have an opportunity of consulting with the officials of the depart-

ment on the points which have been brought up. When this item is next before the committee I will endeavour to have as complete information as possible for the benefit of hon. members. I suggest, Mr. Chairman, that this item be allowed to stand for the time being.

Mr. MOTHERWELL: Will the minister consider the proposal to refer this matter to the agriculture committee?

Mr. STEVENS: I will consider that and give an answer when this item is up again.

Mr. ROGERS: I would like to make it clear to the committee that in 1917 and 1918 the money was paid direct to the farmers when they brought in their wheat.

Mr. VALLANCE: Where did the surplus come from?

Mr. ROGERS: There was no surplus.

Mr. GARDINER: The hon. member for South Winnipeg has given to the committee to-night some information which is of value. But would he go a little further and give the details as to how the crop of 1917 and 1918 was handled, and if possible give some information as to what became of the surplus of over $400,000 referred to in Sir George Foster's letter?

Mr. DONNELLY: I would refer the hon. member for South Winnipeg to the statement in Sir George Foster's letter to the effect that during 1917 and 1918 the wheat was sold as purchasers were found and at different prices owing to changes in the world market price. But he does not say it was sold for $2.21.

Mr. ROGERS: During those two years every bushel was sold on the basis of $2.21.

Mr. VALLANCE: The hon. member made the statement that the farmer received $2.21, and from his manner in giving that information to the committee I assume he knew what the grain trade got for handling that wheat.

Mr. ROGERS: They did not get anything.

Mr. VALLANCE: How much was the grain trade paid for handling it?

Mr. ROGERS: They got their allowance for elevator charges, that is all.

Mr. CAMPBELL: Yesterday I forwarded to the minister a file in connection with this matter and I would like him to read it before this item is considered again.

Item stands.

DEPARTMENT OF RAILWAYS AND CANALS

Civil government—Railways and Canals—salaries, $283,235; contingencies, $46,000.

Mr. MACKENZIE KING: Are there any increases in this item other than the usual statutory allowances?

Hon. R. J. MANION (Minister of Railways and Canals): No, as a matter of fact there is a decrease of about $3,000. The number of employees remains the same as last year, namely, 119, but, because of some reclassifications of positions and some coming in at a lower classification, the amount required is less.

Mr. DUFF: I notice by the details that $10,000 is provided for "deputy minister and government director of Canadian National Railways." Does that $10,000 cover his remuneration as deputy minister and also as a director of the Canadian National Railways?

Mr. MANION: No. His salary as deputy minister is $10,000, and he receives $2,000 as a director. That has been the custom throughout.

Mr. DUFF: Then why should he be put down as deputy minister and government director if he gets a separate amount as director of the Canadian National Railways?

Mr. MANION: He is paid as a director by the Canadian National Railways, and he gets his salary as deputy minister from the department. The $2,000 which he receives as director comes in the estimates of the Canadian National Railways.

Mr. DUFF: I can understand that. But the item as it reads is misleading. It should read: "deputy minister, $10,000." It reads now: "Deputy minister and government director of Canadian National Railways. $10,000". That would leave the impression with the public that he receives only $10,000 for the two positions.

Mr. MANION: That should not be there. I confess that until the hon. member drew my attention to it I had not noticed it. The director should be paid as a director. The $10,000, of course, is paid to him not as a director of the National Railways but as deputy minister of the department.

Mr. DUFF: May I ask the minister, if he occupies the same position next year, to see that these estimates are made up properly so that the public will understand them? If the Deputy Minister of Railways is deserving of this $2,000 which he receives as a director of the Canadian National Railways I have

no objection, but I do not want the public to be misled by the way the item reads. I had occasion some time ago to object to the way the estimates are made up, and I am now raising this objection, so that the public may know exactly what the estimates mean. The estimate certainly is misleading as it reads, because it says that this official gets $10,000 for the two positions, whereas the minister has said that instead of getting $10,000 he receives $12,000 for the two positions.

Mr. MANION: I think it is wrong to read as it does, but I am informed by the officers that it has been done that way for many years; it was done that way under the late government. I quite agree with my hon. friend that "government director of Canadian National Railways" should not be there, and as far as I am concerned it will not be there next year. Of course it is about as difficult to change the form of an estimate as it is to change the laws of the Medes and Persians.

Mr. DUFF: I think I heard someone behind the minister interject, "Why did you not have it altered last year?" I am not interested in what happened last year.

Some hon. MEMBERS: Oh, oh.

Mr. DUFF: There was an election on July 28 as hon. gentlemen opposite know, and any sins of omission or commission on our part were then settled by the public, and well settled. We are not going to stand here now and every time we make a criticism have the question thrown across the floor, "Why didn't you do it last year?" We expect that this government, which went to the country with such glowing promises, should give good government and better government than ever before. I would ask the Minister of Railways to see that the wording of this item is changed next year. I have no objection to the deputy minister receiving $2,000 as a director of the National Railways, but I do ask that the item appear properly in the estimates.

Mr. MANION: I entirely agree with the hon. member that this government should give better government than last year's government did. I shall endeavour to have the wording of the item changed another year.

Sir EUGENE FISET: I am afraid the minister is going too far. He should not make such rash promises; if he wants his deputy minister to get two salaries next year he will have to mention the title, "Government director of Canadian National Railways." I do not believe that there is any law of parliament authorizing a civil servant to get extra emolument unless his name or the position he occupies is mentioned in the estimates, and I think that is why the title "director of Canadian National Railways" is mentioned in the details. I think you have to leave that in, in order that he may be paid.

Mr. MANION: I do not think the hon. gentleman is correct in that, because the estimates we are dealing with are those of the Department of Railways and Canals, not of the Canadian National Railways. The national railways are permitted at the present time to appoint seventeen directors, who are paid $2,000 a year each.

Sir EUGENE FISET: That does not matter. I say that the Civil Service Act requires that a civil servant who is receiving any extra emolument must have his name mentioned in the estimates, and the very reason why this position as director of the Canadian National Railways is mentioned in the estimates is to enable the deputy minister to receive out of the income of the Canadian National Railways the emolument of $2,000 a year as director. I would point out to the minister that this house deals only with the capital expenditure of the Canadian National Railways, and nowhere in those capital expenditures do you see special mention made of $2,000 to be paid to the deputy minister as director of the Canadian National Railways. I think in fairness and justice to the deputy minister his name and position should be put in there.

Mr. MANION: The directors are paid by the Canadian National Railways.

Sir EUGENE FISET: They are not civil servants. This is the only civil servant that gets this extra emolument.

Mr. MANION: Oh no, he is not. There are other civil servants in different departments of this government who get extra emoluments.

Sir EUGENE FISET: But their names or positions have to be mentioned in the estimates, the same as this position is mentioned. I am trying to help the minister.

Mr. MANION: But they are paid by the government. However, I do not intend to make any changes without first knowing that they can legally be made. Personally I think that the hon. member for Antigonish-Guysborough is right in his protest because this $10,000 does not include the $2,000 which is payable to the deputy minister as a director of the National Railways. I do not

think it should be there, but I have legal advisers in my department; I intend to find out as to the facts, and if the change can legally be made, we will do it. If not, it is a different matter.

Mr. SANDERSON: I notice that in 1930-31 there was an item of $4,080 for a private secretary to the minister. No amount appears to be included for that position for 1931-32. Has the minister dispensed with his private secretary?

Mr. MANION: At the present time the secretary to the minister is paid out of contingencies, the next item after salaries. The hon. member will notice that the vote is divided into two: salaries, $283,235, and contingencies, $46,000. Among those contingencies is the item which my hon. friend speaks of. "Contingencies" covers various items, and if there is a balance left over it may be used, as is done in this case, to pay the salary of the private secretary.

Mr. SANDERSON: Would the same explanation apply to the messenger to the minister, who received $1,600 in 1930-31, but for whom there does not appear to be any provision for 1931-32?

Mr. MANION: As far as I know that position is not filled at the present time, although there are messengers in the department; nor is it included in contingencies.

Mr. SANDERSON: The minister will have a lot of applicants if the position is advertised.

Mr. MANION: I have a lot of applicants anyway.

Sir EUGENE FISET: In the vote for contingencies there are three specific items—printing and stationery, sundries, and clerical assistance. Are the travelling expenses of the civil staff as well as of the minister included under "sundries"?

Mr. MANION: Travelling expenses are included in the contingency vote of $46,000. Probably I would save some time by explaining this item. There is the salary to the minister's private secretary, $3,600, and salary to the secretary of executive, $1,860, making a total of $5,460. Then there is office equipment, stationery, and supplies for the use of the department, amounting to $14,000; travelling expenses of officials of the department, $18,000; temporary emergent clerical assistants, $5,440; telephone, telegraph, express and postage, $3,400, making a total of approximately $46,000.

Sir EUGENE FISET: It does not include travelling expenses for the civil staff?

Mr. MANION: Yes, I read the item of $18,000 covering travelling expenses of officers of the department.

Sir EUGENE FISET: Does the minister say that one of the executive secretaries is paid out of contingencies?

Mr. MANION: Yes.

Sir EUGENE FISET: That is usually paid out of civil government.

Mr. MANION: No. The secretary to a minister, and also the secretary of the executive, which actually is a secretary or stenographer to the secretary, are appointments of the minister himself, and when the minister goes out the secretary of the executive goes out with him. There is more or less a rule to look after the secretary but not the secretary to the executive.

Sir EUGENE FISET: Is the minister sure of that?

Mr. MANION: Yes.

Sir EUGENE FISET: In my day the secretary to the executive was appointed through the Civil Service Commission and formed part of the staff of the department.

Mr. MANION: At the present time the secretary to the executive is appointed by the minister himself.

Mr. MACKENZIE (Vancouver): Would it not be better practice to have the amount of the salary set opposite the item in the estimates relating to the secretary to the minister? The impression one gets is that the position has been abolished instead of being covered by contingencies.

Mr. MANION: Probably there is something in the suggestion of my hon. friend. However, the estimates were handed to me in their present form, and I did not think of the matter in that way. I was informed that in cases where the contingency vote is more than required, the salary of the private secretary is taken out of that vote. I do not think there was any reason for it except that it was handed to me in that way.

Mr. VENIOT: Apparently the amount appeared under a separate heading in 1930-31 —"Private secretary to minister, $4,080."

Mr. MACKENZIE KING: I should like to direct the attention of the minister to the last item in the details, "allowance to private secretary, $600." If the secretary receives

$4,200 under contingencies and in addition an allowance of $600, he gets a total of $4,800. As against that the item last year amounted to only $4,080. There is a difference for which I think the minister ought to account.

Mr. MANION: The secretary I have now is the secretary I had in 1926.

Mr. STEWART Edmonton): Is he a civil servant?

Mr. MANION: No, he was not a civil servant. I do not pay him as much as most private secretaries receive, not because he is not worth it—I think he is worth as much, because he is an excellent man—but before he came with me he happened to be working with a private corporation and getting considerably less than I pay him. I gave him more than he was getting then, and since he has been with me I have raised his salary once. He is still below $4,000. His services are entirely satisfactory and apparently he is satisfied with his position. Probably within the next year he will receive the full salary of a secretary. At the present time, however, he is receiving less than other secretaries receive. The $600 to which my right hon. friend has referred is given in all departments as an allowance to the secretary.

Mr. MACKENZIE KING: Where the secretary is a member of the service he gets $600 in addition to his regular salary?

Mr. MANION: Yes.

Mr. POULIOT: I wish to read a copy of a letter from the Canadian National Railways at Montreal, Quebec, dated October 7, 1930, file No. 1920-217. It is as follows:

Gentlemen:
With reference to your letter for the construction of new station at Rivière du Loup.

Some hon. MEMBERS: Dispense.

Mr. POULIOT: No.

The Department of Railways and Canals has refused to sanction the construction of this new station, and all tenders and deposit cheques have been returned to the railway.
I am therefore returning herewith your deposit cheque for $8,398.30, and if you have not yet returned your set of plans and specifications, I would suggest that you do so at an early date, so that arrangements may be made to also return your deposit cheque for $50.
Thanking you for your tender, I am,
Yours truly,
H. T. Hazen,
Assistant Chief Engineer,
Operation Department.

May I ask the minister what was meant by the words "Department of Railways and Canals"?

[Mr. Mackenzie King.]

Mr. MANION: My hon. friend has brought this matter up quite a few times during the present session. The expenditure in connection with Riviere du Loup station was not treated any differently from very many other expenditures proposed by the railway. Because of the fact however that the railway was not earning anything like as much money as it had earned the previous year, and that the earnings were so low that the situation had become serious, the station Riviere du Loup and various other proposed works were not carried out. My hon. friend seems to have the impression that the station at Riviere du Loup is the only station or the only railway building of any kind which was not built as originally proposed. Such, however, is not the case; many other works originally proposed to be carried out by the national railways were not gone on with. The government took the attitude that these capital expenditures should be delayed until later. It is natural that a railway which is earning $30,000,000 less than the interest owing to the public should not be too quick to make capital expenditures. It was the opinion of the government, and I think the stand was properly taken, that at least some of the capital expenditures should be postponed until a later date. The Riviere du Loup station was included with a number of other structures the national railways intended to go on with if earnings had continued in reasonably good form, or as they were in 1928. In 1929 the earnings were decreasing, and with conditions as they were in 1930 I repeat that the government thought unnecessary capital expenditure should not be made. Then, in connection with the Department of Railways and Canals, not referring particularly to the Canadian National Railways, construction of many branch lines, hotels and other projects of that nature is being deferred. In all probability had the earnings of the railway company been in good shape those works would have been proceeded with. My hon. friend has made it quite clear to the house that he would like to have a station at Riviere du Loup; surely there is no hon. member doubts that. Having done so, he has performed his duty to his constituency, and when the time comes the station will be built. With no desire to hurt his feelings, I beg to assure him that he will not get a station any sooner by bringing the matter up very many times in this house, instead of being content with having brought it to the attention of the railway department and the management of the Canadian National Railways.

Mr. POULIOT: Two weeks ago the minister said: "Don't mention it again and you may have a chance of getting a station." I have followed his advice for a fortnight and said nothing about it since, but still I am not rewarded. It reminds me of an experience I had when arguing a case before three distinguished judges in the court of appeal. I concluded my argument between four and five o'clock in the afternoon and they did not seem to understand it very well, but next morning after I had recapitulated my argument they told me, "Oh, here is a point that enables you to win your case." I asked my hon. friend a question, but he did not answer me, and I regret to notice that although I have stated it three or four times, he does not yet appear to understand my point, so I shall have to try once more to make it clear to him. The other day the hon. Minister of Railways said that he had had nothing to do with the refusal to build a station at Riviere du Loup, but here is a letter from the Canadian National Railways saying that it is on account of the refusal of the minister to sanction the project that it was not gone on with. In brief, the minister says one thing and the officers of the Canadian National Railways say the direct opposite. If Mr. Hazen does not tell the truth he should be dismissed at once. But there is something more serious than that, Mr. Chairman. I do not come here as a beggar, I do not come here to annoy the house. I repeat, this is a most serious matter, for the other day my hon. friend was contradicted by the right hon. Prime Minister.

Mr. MANION: Mr. Chairman, I rise to a point of order. We are not dealing with the estimates of the Canadian National Railways, we are dealing with the estimates of the Department of Railways and Canals, and I do not think the hon. member is in order in bringing up the question of a station at Riviere du Loup.

Mr. POULIOT: Speaking to the point of order, Mr. Chairman, I have under my hand a letter from the Canadian National Railways stating that it is on account of the refusal of the Minister of Railways and Canals that the station has not been built. I am not speaking of the Canadian National Railways, I am speaking of the Department of Railways and Canals, and the question I have asked of the hon. minister is this: Who was the official of the Canadian National Railways who refused to sanction the construction of that building? This is the only question that I have put to him. Instead of giving me an answer he made a speech, a dilatory speech. I believe I am strictly in order in asking for an answer to my question. I am not discussing the doings of the Canadian National Railways, I am discussing the doings of the hon. member's colleague when acting Minister of Railways and Canals, and if my hon. friend is dissatisfied with him he has only one course to follow—to resign or to ask that his colleague be reprimanded. This is a most serious question. I could speak to it on every item in the estimates, because the money which was voted for this definite purpose was spent for another purpose, but the hon. minister cannot tell me where it was spent.

The CHAIRMAN (Mr. MacDonald, Cape Breton): I think the point of order is well taken. The matter that the hon. member has reference to does not appear in the item now under consideration.

Mr. POULIOT: I will ask for a vote on the ruling of the chairman.

Some hon. MEMBERS: Order.

Mr. POULIOT: Am I in order, Mr. Chairman, when I ask what official of the department has refused to sanction the building of that station?

Mr. MANION: I have explained to the hon. member that I do not know anything about what the officials of the railway may have done. The hon. gentleman one minute says he wants to know what official of the railway—

Mr. POULIOT: What official of the department.

Mr. MANION: I have told the hon. gentleman that the government rightly took the view that the Canadian National Railways were not earning sufficient to spend much on capital account, being already committed to an expenditure of well over $100,000,000. I subscribe to that view. In my opinion the government took the right course. And they did not discriminate against the hon. member. What I said to him the other day was something to this effect: Less talk and more station. But I did not say a station would be built in one year or two years, neither do I say so now. I may tell the hon. gentleman that it is not the best way to get a station to obstruct the business of the house, because that is what he has been doing many times this session.

Mr. POULIOT: I rise to a question of privilege, Mr. Chairman.

Some hon. MEMBERS: Sit down.

Mr. MANION: The hon. gentleman has been inconsistent. He knows it and the house knows it.

Mr. POULIOT: Not a bit.

Mr. MANION: If he thinks he can bluff us into building a station at Riviere-du-Loup, in other words, changing the whole policy of the Canadian National Railways, simply because he calls for a vote, he has another guess coming to him; because he cannot. I wish to treat the hon. gentleman with every courtesy, but again I must remind him that he is not taking the proper course to get a station at Rivière-du-Loup.

Mr. POULIOT: May I ask who brought about that refusal?

An hon. MEMBER: You have been told a dozen times.

Mr. POULIOT: May I ask the minister who brought about that refusal?

Mr. MANION: The hon. gentleman has pointed out in this house on a number of occasions that I was up at Fort Churchill when the matter went through council. But although I was not present, I take full responsibility for what was done. I have told the hon. gentleman that the station was not built for the same reason that many other structures on the Canadian National Railways were not built. As a matter of fact he has been treated the same as many hon. gentlemen on this side of the house. I may say that they have given me a pretty severe reprimand privately because they did not get stations and other public buildings that they expected for their constituencies. The hon. gentleman and other members of the house were so treated because of the exigencies of the situation. My hon. friend was not discriminated against. I want to be courteous to him but I cannot go any further than that.

Mr. POULIOT: I do not complain, Mr. Chairman, that I am treated differently from others, but I do complain that my constituents are treated differently from other constituents. The east block is not situated at Napier or in any other earthquake zone—the building has not been destroyed, so the records must still be there. If my hon. friend takes responsibility for what has been done, there must be in the department records to show at whose request this action was taken by the minister.

Mr. MANION: I have told the hon. gentleman that it was done at the request of the government; I am part of the government; I take the responsibility. I repeat that other buildings of this sort were not proceeded with because the government thought that the Canadian National Railways was already committed to a sufficient capital expenditure.

[Mr. Pouliot.]

Mr. POULIOT: Has my hon. friend the Minister of Marine nothing to say about this? He is silent.

Some hon. MEMBERS: Carried.

Mr. POULIOT: No it is not carried at all.

Mr. VENIOT: I do not want to discuss the Rivière du Loup station, but perhaps it would save time if I should ask the minister a question now so that he would be prepared to give the information when the Canadian National estimates come down. Would it be possible to obtain a list of contractors or contracts in the different sections of the Dominion of Canada?

Mr. MANION: Does my hon. friend mean railway contracts?

Mr. VENIOT: Yes.

Mr. MANION: Yes, I shall gladly endeavour to get that for my hon. friend. It is not in my department, but I will ask the railways for it.

Mr. SANDERSON: I notice that for 1930-31 the item for stenographers amounted to $10,980, and for 1931-32 this has been increased to $12,885. Is that increase due to increased salaries or to a greater number of stenographers?

Mr. MANION: If my hon. friend will look at the column on the extreme left of the page he will find that there is an increase of two stenographers. I have been checking up the staff a good deal; certainly mine is one department which has not increased the staff as a whole, and I am informed that this increase in stenographers or clerical help of one kind or another has been caused largely by the auditing that has to be done in connection with the construction of the Montreal terminals, for instance, and other large capital expenditures made by the Canadian National Railways. We have in the department an audit branch whose duty it is to audit the expenditures of the Canadian National Railways. The rather heavy capital expenditures of the railways such as the Montreal terminal, which required some $8,000,000 last year, have necessitated more clerical help. Many of them are temporary.

Mr. SANDERSON: Then it would appear from the remarks of the minister that while the business of the Canadian National Railways is decreasing, together with the earnings, the business of the department is increasing. That is hardly consistent.

Mr. MANION: It might be consistent if the department were checking up very heavy capital expenditures. A very small part of my department has to deal with the Canadian National Railways, with the exception of the audit branch. My friend Colonel Dubuc here, the chief engineer, has nothing to do with the railways. He deals with the canals, the construction of the Hudson Bay railway, the Welland ship canal and so on. I should say at least seventy-five per cent of my department, if not ninety per cent, has practically nothing to do with the railways. The audit branch has been increased, but there has not been an increase in the other work of the department.

Mr. CASGRAIN: There is provision here for $3,720 for an assistant secretary. This is a new position. I should like to know the reasons for the appointment of this new official.

Mr. POULIOT: So much money has been spent on the Welland canal that it is not surprising that the expenses of the department have increased.

Mr. MANION: I am informed that one of the officers of the department who previously was rated as a head clerk was promoted to the position of assistant secretary, and that position was created as far as the name was concerned. This meant a slight increase in his salary, but his previous salary was wiped out, so instead of meaning an additional man it meant only a different rating. As I have pointed out, really there has been a decrease in the expenditures of the department of about $3,000.

Mr. CASGRAIN: Was that position created by the Civil Service Commission?

Mr. MANION: Yes.

Mr. CASGRAIN: I see there is also the addition of a principal clerk as compared with last year. Is that a new appointment which was made by the Civil Service Commission, and what was the reason for it?

Mr. MANION: That is part of the reclassification I have been speaking of. I will again point out to my hon. friend that due to the various reclassifications, while the staff remains the same the salaries have been decreased by about $3,000, so there has been an improvement instead of the reverse.

Sir EUGENE FISET: I notice that provision is made for a secretary to the executive. We were told a few moments ago that another secretary to the executive is provided for out of contingencies. May I ask if two secretaries are required?

Mr. MANION: This position was in existence previously. Mr. Pugsley is secretary of the department, and this man is the assistant. This has nothing whatever to do with my personal staff.

Sir EUGENE FISET: The minister made a statement a moment ago which struck me rather forcibly. He said his department audited the capital expenditure of the Canadian National Railways. I think the minister made a mistake. The capital expenditures of the Canadian National Railways are voted every year, and there is a firm of auditors, Price, Waterhouse and Company, or somebody else, who audit all the accounts of the Canadian National Railways. Once a capital expenditure has been voted in the form of a loan I do not believe it is audited by the department. That must be so, since the minister stated that he has nothing whatever to do with the administration of the Canadian National Railways. What has the minister to say in that regard?

Mr. MANION: I will explain to my hon. friend. In regard to statutory capital expenditure, where the government provides the money, we conduct an audit. Where the railway itself makes expenditures without statute, we do not have an audit. Price, Waterhouse and Company are general auditors for the railway; my hon. friend is correct in that, but with regard to expenditures such as the Montreal terminal, the different branch lines, the Toronto terminal, the Hudson Bay railway and so on, those are all statutory. They are audited by the department, because they go through our department by statute.

Sir EUGENE FISET: I am afraid the minister used the word "statutory" in a wrong way. The minister means money which is provided by a special vote, but that is not what we call statutory with regard to these estimates.

Mr. MANION: Yes, the money provided by statute. The Montreal terminal was incorporated in a statute, and that was the

case also with the Toronto terminal, the branch lines and so on. They were all bills passed by the house.

Sir EUGENE FISET: The minister can assure us that the audit branch of the Department of Railways and Canals has nothing to do with the audit of the accounts of the Canadian National Railways?

Mr. MANION: It has nothing to do with the operating expenditures of the railway.

Sir EUGENE FISET: Will the minister tell me whether the Auditor General has anything to do with auditing the accounts of the Canadian National railways?

Mr. MANION: He has not.

Sir EUGENE FISET: In other words, the only audit which is carried on, as far as the Canadian National railways are concerned, is the independent audit by Price, Waterhouse and Company, who report to the Canadian National Railway officials and to no one else. And this parliament, notwithstanding the fact that we are supposed to be shareholders in the Canadian National Railways, has nothing whatever to say in respect of any one of those expenditures made by the system. Am I correct?

Mr. MANION: The independent audit of the books and records of the Canadian National Railways is conducted by Geo. A. Touche and Co., but of course, that is a matter over which I have no control.

Sir EUGENE FISET: I beg the minister's pardon; I should not have asked that question. The only reason I asked it was that he himself had mentioned something about auditing.

Mr. MANION: My understanding is that the Canadian National Railways have their own official auditors, and in addition to that there is an outside group of auditors who do auditing as well. But where there are statutory expenditures we have an audit branch which audits those expenditures. They audit the expenditures that go through our department, as they also do the canal expenditures.

Sir EUGENE FISET: Expenditures authorized by special act of parliament?

Mr. MANION: Yes.

Mr. POULIOT: On what date was the order in council passed granting $1,500,000 to both the large railway companies in order to provide work for unemployment relief?

Mr. MANION: There was $1,500,000 taken out of the $20,000,000 fund to provide for the railways the interest on certain works which they did and which they would not otherwise have done for perhaps a year or two, and in some cases four years. That sum was divided between the Canadian Pacific Railway and the Canadian National for works which they chose to do—various works scattered around from one end of Canada to the other. These undertakings amounted to something like $22,000,000, and out of that $20,000,000 fund the interest was provided for, amounting to $1,500,000.

Mr. POULIOT: At what date was the order in council passed?

Mr. MANION: I do not think I can tell my hon. friend. It was passed shortly after the brief session of last September. I should imagine it was passed some time in October.

Mr. POULIOT: Will the minister be kind enough to give the information to-morrow on the orders of the day?

Mr. MANION: Yes; I can look it up.

Mr. POULIOT: The date of the order in council granting the $1,500,000 to both railways.

Mr. MANION: As a matter of fact, I do not know that there was an order in council. I am not sure there was. But an arrangement was made with the Canadian National Railways and the Canadian Pacific. The Deputy Minister of Railways and myself met with officers of the two railways and we discussed the works they proposed to do, but I doubt whether there was an order in council. There was an agreement with the two railways but I am sorry I cannot inform my hon. friend offhand as to the date. I should imagine, however, it was towards the middle or the end of October.

Mr. POULIOT: Can I get the date of that agreement, please.

Mr. MANION: Yes; I will do the best I can to get it.

Mr. POULIOT: Will the minister give it to-morrow on the orders of the day?

Mr. MANION: I will try.

Mr. POULIOT: Thank you.

Mr. GARDINER: In these agreements between the railway companies and the government, were the works to be done specified?

Mr. MANION: Yes, they were.

Mr. STEWART (Edmonton): I have been somewhat interested in listening to the explanations of the minister. There has been

no change from the custom followed by the late government in dealing with the Canadian National Railways, and it seems to me that my hon. friend is taking upon himself a good deal of responsibility in relation to the works of the Canadian National. My understanding was that after the moneys were appropriated by the government, which moneys were for capital account, the responsibility in regard to stations, maintenance and everything else in connection with the national railways rested entirely with the management and was altogether free from interference on the part of the government.

Mr. MANION: That is quite right.

Mr. STEWART (Edmonton): I cannot, therefore, understand why my hon. friend should be responsible for Rivière du Loup or why he should have anything to do with that or any other station.

Mr. MANION: My hon. friend has misunderstood me. I did not say that we had anything to do with these expenditures except in so far as they are statutory. Rivière du Loup is on a government line, and in the case of government railways the contracts have to come before the government. Such contracts came before the government of which my hon. friend was a member. There has been no change, and I have not implied that there has been any change, with respect to the handling of the affairs of the Canadian National Railways or the auditing of the accounts.

Mr. STEWART (Edmonton): That applies only to government-owned railways that are now operated by the Canadian National Railways?

Mr. MANION: Yes.

Mr. STEWART (Edmonton): I can understand that. But I was desirous of knowing whether any change had taken place with respect to the Canadian National Railways generally—

Mr. MANION: Not at all.

Mr. STEWART (Edmonton): —because, if that were the case, I think my hon. friend would be taking on a considerable responsibility.

Mr. MANION: I might tell my hon. friend that, by reason of the decreased earnings, the government has taken the attitude that there should be no unnecessary expenditures on capital account. Beyond that, there has been no change.

Mr. STEWART (Edmonton): I understand that. The government must find the money; but having found it, neither the government nor the minister has any further responsibility.

Mr. MANION: That is quite right.

Mr. HEENAN: I wish to refer for a moment to the definite pledge given the electorate at Woodstock, Ontario, on June 24, 1930, by the present Prime Minister. There was depression in the country at that time, and the right hon. gentleman promised the construction of national highways and the building of branch lines, as reported in the Mail and Empire of June 26.

Mr. MANION: I may say there are a number of branch lines still being built.

Mr. HEENAN: The point is that this was an undertaking to build branch lines to take care of unemployment. Here is an hon. member who wishes to have a station built, a station which is essential to the commerce of the country. I would point out to the Minister of Railways that this work would give relief to the unemployed in that particular town.

Mr. GOTT: Mr. Chairman, I beg to direct your attention to the fact that it is eleven o'clock.

Progress reported.

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

Wednesday, May 13, 1931

The house met at three o'clock.

REPORTS OF COMMITTEES

First report of the select standing committee on banking and commerce—Mr. Matthews.

Second report of the select standing committee on railways and canals—Mr. Harris.

QUESTIONS

(Question answered orally are indicated by an asterisk).

POLITICAL PARTISANSHIP—AFFIDAVITS

Mr. RALSTON:

1. Is it true that the Post Office Department are sending communications to postmasters asking them to prove themselves innocent by signing an affidavit denying political partisanship, and that failure to sign and return the affidavit will result in dismissal?

2. If any communications relating to the matter of making affidavits are being put out,

will the Postmaster General lay on the table of the house a copy of the letter which is being dispatched?

3. To how many postmasters has this been sent?

Mr. SAUVE: Dropped.

Mr. CASGRAIN: The hon. member who put that question is not in the house. In his absence I think the question should not be dropped, unless some arrangement has been made between him and the minister.

Mr. SAUVE: The question is dropped because I understand the hon. member has asked that it should be.

Mr. CASGRAIN: Very well, that is all right.

Mr. SPEAKER: Dropped.

POINTE-AU-PIC, QUE., SUPERINTENDENT OF PUBLIC WORKS

Mr. CASGRAIN:

1. Was Mr. Joseph Villeneuve, superintendent of the public works at Pointe-au-Pic, Charlevoix county, dismissed from his duties?
2. If so, why?
3. By whom was he replaced?
4. By whom was he recommended?

Mr. STEWART (Leeds):

1. No, services terminated on completion of work.

2 and 3. Answered by No. 1.

4. Appointed by the Civil Service Commission.

ABOLITION OF CUSTOMS PORTS

Mr. EULER:

1. How many customs ports or outports have been abolished since July 28, 1930?
2. What are the names of such ports or outports?

Mr. CAHAN:

1. Ports, nil; outports, 4; preventive stations, 6.

2. New Campbellton, N.S., Port Dalhousie, Ont., Souris, Man., Virden, Man., Lingan, N.S., Port Dufferin, N.S., Vogler's Cove, N.S., Sonora, N.S., Mowbray, Man., Sybouts, Sask.

POLITICAL PARTISANSHIP INQUIRY COMMISSIONERS

Sir EUGENE FISET:

1. Are all commissioners nominated to inquire into charges of political partisanship appointed by or through the Department of Justice, or independently by each department?
2. Are these commissioners given a blanket authority to inquire into any case of alleged partisanship, as they think fit, or have they to wait for instructions either from the Department of Justice or any other department, before taking action?
3. Are their emoluments and all other expenses paid by each department concerned or by the Department of Justice, or are their accounts simply assessed by the Department of Justice and then paid by the departments concerned?

[Mr. Ralston.]

Mr. CAHAN:

1. The commissioners are appointed by orders in council upon the recommendation of various ministers.

2. The instructions to the commissioners are given in their commissions, and vary to some extent. They have to wait instructions from each department in cases concerning that department.

3. The Department of Justice does not tax or pay the accounts of commissioners for other departments. They are paid by each department separately.

ST. ZACHARIE, QUE., CUSTOMS EXCISE OFFICER

Mr. LACROIX:

1. Was Edouard Groleau, customs excise enforcement officer, at St. Zacharie, Quebec, dismissed from the service of the Department of National Revenue?
2. If so, on what grounds, and on whose recommendation?
3. Who was appointed in his stead?
4. On whose recommendation?

Mr. CAHAN:

1. Yes.

2. On a charge in writing of a member of parliament that to his personal knowledge the officer had been guilty of active political partisanship.

3. Thomas Chabot.

4. Appointed by the honourable the minister for a period of thirty days pending an appointment by the Civil Service Commission.

CLORIDORME, QUE., UNEMPLOYMENT RELIEF

Mr. BRASSET:

1. What amount was allotted out of the unemployment fund for the municipality of Cloridorme, county of Gaspe?
2. How many men were employed and for what work?
3. Is the government aware that the payroll has not yet been paid, although the work was completed in December last?
4. Will the government give the necessary instructions to have the cheques issued?

Mr. GORDON:

1. Cloridorme township $2,800.

2. 388. Road improvements and clearing along river.

3. Payroll received by Department of Labour April 15th.

4. Payment of Dominion proportion $2,799.59 mailed to provincial government May 8th.

QUEBEC—BLANC SABLON, TELEGRAPH SUPERINTENDENT

Mr. LARUE:

1. What is the name of the federal government superintendent of telegraphs on the north shore of the St. Lawrence river, from Quebec to Blanc Sablon?
2. When was he appointed, by whom recommended, and what is his salary?

Mr. STEWART (Leeds):

1. J. A. Bilodeau.
2. (a) February 18, 1929; (b) Appointed by Civil Service Commission following public advertisement for applicants; (c) $3,480 per annum.

MATANE QUE., POST OFFICE CARETAKER

Mr. LARUE:

1. When was Louis Gauthier, former caretaker of the post office building at Matane, dismissed?
2. Was an inquiry held before his dismissal?
3. If not, why was he dismissed without an inquiry, and at whose request?

Mr. STEWART (Leeds):

1. May 31, 1924.
2. Yes.
3. Answered by No. 2.

THOMAS MARSHALL

Mr. BLAIR:

1. Is Thomas Marshall employed by the Dominion government?
2. If so, in what department, in what capacity, and at what salary?
3. Was he appointed by the Civil Service Commission, and were examinations held after public advertisement, and an eligible list established in connection with the position which he now occupies?
4. Was the said Thomas Marshall secretary of the Temiskaming South Conservative Association?

Mr. GORDON:

1. Yes.
2. By the Department of Mines, to assist in a survey of the Canadian coal mining industry being made by the Dominion Fuel Board. Salary $225.00 a month.
3. No. The appointment was made under the provisions of order in council of November 25th, 1922 (P.C. 2381) and approved by order in council of November 29, 1930 (P.C. 63/2766).
4. No information.

IMMIGRATION AND MINES EMPLOYEES

Mr. BLAIR:

What are the names, duties and salaries of any employees added to the Department of Immigration and Colonization or the Department of Mines, since August 7, 1930?

Mr. GORDON:

Department of Mines

Names—Duties—Salaries

1. Under Civil Service Act:

L. M. Kelly, typist, Grade 1	$ 720
*C. E. Best, typist, Grade 1	720
E. L. Nichol, typist, Grade 1	720
J. R. Kirkconnell, engineer, Mines Branch, Grade 2	2,220
W. E. White, engineer, Mines Branch, Grade 1	1,800
A. E. Reardon, stenographer, Grade 2	1,080
M. Saulter, library assistant	1,080
H. W. Warner, stenographer, Grade 2	1,080
L. S. Russell, Assistant Invertebrate Palaeontologist	1,080
M. D. McClure, stenographer, Grade 2.	1,080
M. Y. Crevier, stenographer, Grade 2.	1,080
T. J. Clarke, typist, Grade 2	1,080
*H. B. Moore, clerk, Grade 2	1,080
D. M. Burke, stenographer, Grade 2	1,080
*J. Caron, stenographer, Grade 2	1,080
M. S. McCullough, library assistant	1,080
*J. T. Cody, clerk, Grade 1	720
*E. A. Trevor, principal clerk	1,920
H. H. Bleakney, engineer, Mines Branch, Grade 3	2,820
R. H. Lake, laboratory assistant	1,140
M. W. Currie, clerk, Grade 2	1,080
G. E. Rickwood, laboratory helper	720
J. J. R. Cannon, laboratory helper	720
F. J. L. Casey, laboratory helper	720
S. R. G. Webb, laboratory helper	720
A. H. Seaton, laboratory helper	720
J. S. C. Perry, laboratory helper	720
K. G. Honeyman, laboratory helper	720
J. R. Cox, engineer, Mines Branch, Grade 3	2,820
W. Monson, office boy	420
W. J. Egan, office boy	420

2. Exempt from Civil Service Act:

J. M. Sarsfield, clerk, Grade 4	$1,620
*L. A. Kennedy, private secretary	2,700
M. D. McLean, special investigator	4,440
T. Marshall, special investigator (a month)	225
G. E. Fairbairn, labourer	.50 an hour
R. F. Dale, labourer	.50 " "
C. A. Derry, labourer	.50 " "
C. Poapst, labourer	.50 " "
J. S. Quinn, machinist	.80 " "
*M. Buskard, labourer	.50 " "
R. H. Bray, labourer	.50 " "

*Note: Employees marked * have been separated from the Department of Mines by resignation, transfer, or death, prior to May 9, 1931.

Department of Immigration and Colonization
Name—Duty—Place—Salary per annum

Miss M. Poulin, charwoman, Quebec, P.Q. ..$ 480
Mrs. Geo. Ampleman, charwoman, Quebec, P.Q. .. 480
Mrs. A. Vallerand, charwoman, Quebec, P.Q. .. 480
Mrs. Henri Roy, charwoman, Quebec, P.Q. .. 480
Albert Shield, Immigration guard, Quebec, P.Q. .. 900
Alphonse Pouliot, Immigration board, Quebec, P.Q. .. 900
Arthur Pageau, Immigration board, Quebec, P.Q. .. 900
L. Pascale, Immigration board, Montreal, P.Q. .. 900
J. Quigley, cleaner and helper, Montreal, P.Q. .. 900
Mrs. M. G. Starke, senior matron, Montreal, P.Q. .. 900
C. Lauziere, Immigration inspector, Philipsburg, P.Q. .. 1,500
P. L. Baldwin, Immigration inspector, Stanhope, P.Q. .. 1,500
Miss M. Smith, clerk, Ottawa, Ont. .. 1,680
H. C. Kennedy, stenographer, Toronto, Ont. .. 1,080
O. Cromar, Immigration inspector, Windsor, Ont. .. 1,500
J. M. Madden, Immigration inspector, Windsor, Ont. .. 1,500
H. Maw, Immigration inspector, Windsor, Ont. .. 1,500
J. A. Alton, Immigration inspector, Windsor, Ont. .. 1,500
J. B. Potvin, Immigration inspector, Windsor, Ont. .. 1,500
L. T. Young, Immigration inspector, Windsor, Ont. .. 1,500
W. L. O'Neil, Immigration inspector, Windsor, Ont. .. 1,500
A. L. Brown, Immigration inspector, Windsor, Ont. .. 1,500
H. Mansfiield, Immigration inspector, Windsor, Ont. .. 1,500
L. H. Marley, Immigration inspector, Windsor, Ont. .. 1,500
L. C. Goddard, Immigration inspector, Windsor, Ont. .. 1,500
F. C. Walker, Immigration inspector, Windsor, Ont. .. 1,500
Miss F. L. Litchfield, stenographer, Winnipeg, Man. .. 1,080
T. W. Pickersgill, fireman, Winnipeg, Man. .. 1,140
R. Dutton, stenographer, Calgary, Alta. 1,080
Miss M. Page, stenographer, Calgary, Alta. .. 720
H. J. Daney, caretaker, Edmonton, Alta. 1,200
W. H. Browness, Immigration inspector, Kingsgate, B.C. .. 1,500
Miss D. M. Blackburn, stenographer, Vancouver, B.C. .. 1,080
Miss E. G. Rose, stenographer, Vancouver, B.C. .. 720

All of the above appointments at Windsor are due to the opening of the new tunnel. All the other appointments referred to are replacements with but five exceptions.

ST. LUC—STE. GERMAINE MAIL CONTRACT

Mr. BOULANGER:

1. Is the carrying of mail from St. Luc to Ste. Germaine, in the county of Dorchester, given by contract?
2. If so, when does the present contract expire?
3. Does the government intend to renew said contract with the present holder?
4. If not, have tenders been called and received?
5. What are the names of the tenderers and the amount of each tender?
6. To whom was the contract granted?

Mr. SAUVE:

1. Yes.
2. 20th May, 1931.
3. No.
4. Yes.
5. Adelard Côté, Lac Etchemin, $600; Alfred Mercier, Dijon, $750; Napoléon Gosselin, Dijon, $780; Vve. François Laflamme, Dijon, $850; Camille Pouliot, Dijon, $870; J. Ludger Audet, St. Luc, Dijon, $875; Rosaire Bolduc, Lac Etchemin, $1,000; Philémon Leclerc, Lac Etchemin, $1,150; R. Choinard, $750.
6. Adélard Côté.

WATERHEN LAKE DRAINAGE

Mr. MOTHERWELL:

1. When was the contract let for draining Waterhen lake in northern Saskatchewan?
2. Who was the contractor and what was the cost?
3. What was the acreage reclaimed?

Mr. MURPHY:

1. October 26, 1920.
2. (a) Lount Engineering Company; (b) $186,911.21.
3. 13,880 acres were dewatered.

LITTLE CASCAPEDIA, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has an investigation been held in the Little Cascapedia post office, county of Bonaventure?
2. If so, by whom, and with what result?

Mr. SAUVE:

1. Yes.

2. By commissioner Gerard Simard who found the postmaster guilty of active political partisanship.

BONAVENTURE, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has the postmaster of Bonaventure, Quebec, been dismissed, and if so, for what reason?

2. If an investigation was held, by whom was it held and what was the result?

3. Has an appointment been made? If so, who recommended the new postmaster?

Mr. SAUVE:

1. The postmaster's dismissal on account of active political partisanship has been authorized by council but not effected yet.

2. An investigation was held by commissioner Gerard Simard who found the complaints founded.

3. No.

MATAPEDIA INTERPROVINCIAL BRIDGE

Mr. MARCIL:

1. How much was expended on the Matapedia interprovincial bridge during the fiscal year 1930-1931, for materials and wages, respectively?

2. What was the amount paid the foremen of this work, who were they and what amount was received by each?

Mr. STEWART (Leeds):

1. Materials, $6,194.57; wages, $6,420.25.

2. John A. Adams, $290; Alexander Pratt, $200.

NATIONAL DEBT

Mr. MACKENZIE (Vancouver Centre):

1. What was the national debt of Canada as at Decemer 31, 1930?

2. How much of this sum is owing to Canadian organizations, corporations or individuals?

3. How much is owing to other portions of the British Empire?

4. How much is owing to foreign countries?

Mr. BENNETT:

1. Funded debt of Canada, $2,354,705,224.46.

2, 3 and 4. Funded debt is payable as follows: in Canada, $1,777,123,188.07; in London, $311,668,136.39; in New York, $265,913,900.

UNOPPOSED MOTIONS FOR PAPERS

COMPENSATION FOR SLAUGHTERED ANIMALS

Mr. TETRAULT:

For a copy of all documents, letters and correspondence, in connection with indemnities to be paid by the federal government for slaughtered animals in the province of Quebec, under the system of reserved zones, since the establishment of said system; also a return showing the number and the average indemnity of the slaughtered animals by counties, and the average indemnity per head of cattle ranging from the age of one, two, three and over, for registered animals and cross-breeds.

Mr. SPEAKER: Dropped.

DEPORTATION OF AUGUST GABERT

Mr. HEPBURN:

For a copy of all correspondence, reports, other documents, on file in the Department of Immigration dealing with the deportation by United States authorities of one August Gabert, formerly of Toronto and Welland, to Germany, and with the pending deportation of his wife, Bertha, to the same country by the Canadian authorities.

DOMINION CENSUS

Mr. TOTZKE:

For a copy of all schedules, portfolios, instruction books, and generally all the formulae and instructions issued by or to the Dominion Statistician, the census commissioners and census enumerators in connection with the taking of the decennial census of 1931, together with schedule of fees payable to commissioners and enumerators.

ROUYN MINES RAILWAY COMPANY

Mr. NICHOLSON:

For a copy of all orders in council, agreements, and other documents, relating to or in any way connected with the organization of the Rouyn Mines Railway Company, the construction and operation of the said railway and the leasing of the same by the government of Canada from the Rouyn Mines Railway Company and to the Canadian National Railway Company;

Also a copy of all correspondence between the Prime Minister of Canada or any member of the government and the promoters, directors or officers of the Rouyn Mines Railway Company or the executive or any officer of the Canadian National Railway Company in any way relating to the financing, construction and operation of the said railway;

Also a copy of correspondence, letters and telegrams between the government of Canada and the government of the province of Quebec, the Noranda Mining Company or any other person or persons relating to the subsidizing or bonusing of the above railway.

MOTIONS FOR PAPERS

DEPORTATION OF ROBERT CAMPBELL

Mr. McINTOSH (for Mr. Howard):

For a copy of all correspondence and other communications between the Minister of Immigration, Ottawa, or his officials, and the immigration officials at Lake Megantic, in the county of Compton, Quebec, regarding the deportation of Robert Campbell from Lake Megantic to Glasgow, Scotland;

Also a return showing upon whose recommendation this man was deported and who lodged the complaint against him.

Mr. GORDON: Mr. Speaker, I have no objection to tabling the papers in connection with this motion, except as to the last part, namely:

Also a return showing upon whose recommendation this man was deported and who lodged the complaint against him.

I do not think it is advisable in the public interest that information of this character should be published, because in many cases if the informant knew that his name would be made public the information would not be given. Therefore in regard to the latter part of the motion I take the position that the return will not be made.

Mr. POWER: The member in whose name the motion stands is not here, but I happen to know something of this particular case, having had some correspondence on it myself. I do not think the minister is correct in taking such a stand. The deportation of a British subject is a serious matter, and all the circumstances of the case should be developed in the house.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BENNETT: Not unless it is amended. The mover is not here anyway.

Mr. SPEAKER: In the absence of the mover the resolution will be allowed to stand.

Motion stands.

BLACK LAKE, QUE., PUBLIC BUILDING

Mr. ROBERGE:

For a copy of all orders, correspondence, reports, memoranda and other documents in the possession of the government or any member thereof, written by any member of parliament, minister of the crown or any other person, regarding the decision of the Minister of Public Works preventing the construction of a public building at Black Lake, Quebec, for which a sum of $26,000 was voted in the estimates of the year 1930-1931.

Mr. BENNETT: Mr. Speaker, this motion can hardly be said to conform to the rules of the house. It assumes that letters have been written for the purpose of preventing the construction of a certain public building. If my hon. friend would change his motion to read, "relating to the construction of a public building at Black Lake, Quebec," I think he will make his motion entirely in order; but as it stands it assumes something as a fact that has not been established.

Mr. SPEAKER: Shall the resolution as amended carry?

Motion as amended agreed to.

[Mr. McIntosh.]

PRIVILEGE—Mr. YOUNG

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, I rise to a question of privilege. In votes and proceedings on Monday the 27th of April, at page 125, the following resolution appears:

Order of the house for a copy of all correspondence exchanged between any or all of the Canadian oil refining companies and any department of the government, since May 1, 1930, in regard to the importation of oil or oil products.

That resolution was accepted by the government and passed unanimously by this house. Yesterday we received an answer from the Commissioner of Customs which I will read:

No period is stated, but in any case, it is contrary to the established policy of the Department of National Revenue to give information which would disclose the customs transactions of individual concerns.

Here we have, Mr. Speaker, an order of this house, passed unanimously, instructing the officers of the crown to supply us with certain information, and we find a civil servant, sitting in his castle over in the customs building, snapping his fingers in the face of parliament and defying its order.

Mr. HARRIS: I ask the indulgence of the house to revert to the order of presenting reports.

Mr. YOUNG: Mr. Speaker, I should like to ask the Prime Minister (Mr. Bennett) if he will take the matter up and see that the information is supplied to the house.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, under the rules no debate is possible at this time with respect to this matter. I would assume that the hon. gentleman knew this, and I doubt whether he should have brought it up. There is a time and place for it, and I do not propose to debate it now. Observance of the rules of the house, as the right hon. leader of the opposition (Mr. Mackenzie King) observed the other day, is somewhat important, and there is a responsibility resting upon whoever is for the moment the leader of the house to see that the rules are observed, and when in opposition I ventured to point out the desirability of that practice being observed. There is a tendency, as may be noticed, to disregard the rules. I shall endeavour as long as I am here to see that the rules are observed. If the house desires, by unanimous consent, to depart from them, that of course is within the discretion of the house, the rules being made merely for the purpose of expediting the transaction of business. In this instance

my hon. friend from Weyburn (Mr. Young) has raised a question of very serious concern, it touches the whole conduct of public business, and I prefer to deal with it in the manner prescribed by the rules.

NATIONAL CENTRAL BANK

PROPOSAL TO ESTABLISH NATIONAL SYSTEM OF BANKING AND CREDIT CONTROL

Mr. G. G. COOTE (MacLeod) moved:

That, in the opinion of this house, there should be established in Canada a nationally owned central bank.

He said: Mr. Speaker, the question of establishing a central bank in Canada has been before the country and before this house for the past twelve years. As long ago as 1918 the then president of the Royal Bank was reported as being strongly in favour of the establishment of such a bank. The Canadian Bankers' Association, I believe, have always been opposed to this proposal officially, and have thrown cold water on it, so that it has not made much headway in this house. But I believe there is a large and growing body of opinion in Canada in favour of the establishment of such a bank, and that the present would be a very opportune time to raise the question.

Of late some financial papers have been urging the establishment of a central bank, and some of our eminent economists have also been urging this in leading articles in the press. Both Professor Day of McGill and Professor Curtis of Queen's university have written some very interesting articles dealing with this question, and recently I had the pleasure of reading an article by Miss M. L. Savage, of McGill university, dealing with the question of credit control in Canada, in which she strongly urged the establishment of a central bank. I should like to quote the foreword to this article by Miss Savage. It says:

It is estimated that at least ninety per cent of the business of Canada and the United States is carried on by means of credit and credit instruments. For this reason credit is sometimes described as the life blood sustaining the business body. Decrease its flow through one member and it languishes; divert it and it dies. A good system of creating and distributing credit is therefore of prime importance in the economic development of the country.

The creation, control and distribution of credit are the most important factors in our modern business life, and credit no longer should be left to take care of itself; it should be intelligently and scientifically controlled. The responsibility of providing adequate credit facilities in Canada rests on this parliament. The chartered banks of Canada, which are established under an act of parliament, until 1914 were practically the sole source of credit for business in this country, but in that year the Finance Act made available to the banks the full credit of the country and furnished for the first time in Canada what amounted to a rediscounting agency for our chartered banks.

I should like to quote the words of Sir Thomas White, who introduced the Finance Act of 1914, in a speech in explanation of the reason for the introduction of the measure. This quotation is taken from Hansard of 1924, at page 3936. Sir Thomas said:

We said to the banks: The Dominion government will loan you in dominion notes, which are legal tender, twenty-five, fifty million dollars; we put no limit, if you need it, you probably will not, but if you do, we will loan without limit on securities approved by the minister. You bring in high class securities, or commodity bills, because they represent their full value in goods, and we will lend to you at 5 per cent dominion notes that will make you liquid, and you need not worry about your reserves. There was no more panic after that announcement was made. From that day to this there has been the utmost confidence in the Canadian banking situation, no sign of panic. That gave flexibility to our banking system, made our bankers confident that they could meet any situation that could arise, and, of course, they could give the public very much more extensive credits than they otherwise would have got.

In order to give the house an idea of the extent to which the facilities afforded under this act have been used by the banks, I should like to place on Hansard a statement of the amount of advances under this act to the chartered banks, outstanding on the 30th of November of each year from 1914 to 1930.

If a central bank were established in Canada I presume it would take over many of the duties which are now carried on by the Department of Finance, including the administration of the Finance Act. The bank also could assume the duties now carried on by the trustees of the central gold reserve, and provide a more efficient system of inspection of banks. This bank could act as the fiscal agent of the government and the officials of the bank would be able to advise the government at all times with regard to financial matters. Such a bank would provide us with a national bank note issue and might possibly take charge of the issue of Dominion notes for the government. It would also take over the administration of the post office savings bank. The control of this bank should be vested in a board representative of the various industries in Canada, on which board the government should be represented as well. Such a bank

would enable us to mobilize all our credit resources in Canada to a greater extent than has been possible in the past, and should provide intelligent and effective control of credit in the interests of the people of Canada.

The principal business of the central bank, of course, would be to take over the administration of the Finance Act. It is a matter of extreme importance to the people of Canada that rediscounting under this act should be under the most careful and intelligent control, and that any board entrusted with that control should be served by the best experts obtainable. The official attitude of the banks towards this question, I think, always has been that the Finance Act made it unnecessary for us to have a central bank in Canada, but our bankers are overlooking the most essential service which such a central bank could render to this country. In a book published recently, entitled "Central Banks," by Kisch and Elkin, the foreword for which is written by Sir Montagu Norman, the chairman of the Bank of England, who I suppose is regarded as one of the greatest authorities in the world on financial matters, I find these words, at page 149:

> The preservation of stable prices in association with the maintenance of stable foreign exchange is the great service which the world hopes to receive from a sound central banking policy conceived and carried out in concert between the central banks.

I am quite sure that anyone who has examined the workings of the Finance Act since 1914 will agree that in the operation of the act, no effort has been made to secure stability of the price level. How can Canada do her share in achieving this stable price level for the world unless she has a central bank to represent her? In the article by Miss Savage, which I have already mentioned, dealing with the question of credit control and price levels, she points out that such control cannot be exercised without a careful analysis of the price level, and that no attempt is being made to exercise such intelligent control by either the bankers' association or the Department of Finance. She refers to the evidence given before the banking committee in 1924, and I think I cannot do better than quote briefly from that evidence. This will be found in the journals of the House of Commons for 1928, at page 54, and the journals for 1924, at page 296.

Mr. GEARY: Would the hon. member mind telling me to what act he is referring in 1914? Surely he means the Dominion Notes Act and not the Finance Act.

[Mr. Coote.]

Mr. COOTE: No, I mean the Finance Act. The deputy minister was being examined before the committee, and he said:

> Q. Do you have a special knowledge of the problems, for example, of inflation or deflation?—A. I do not consider myself an expert, but I naturally have a little experience and knowledge of it.
>
> Q. Do you recognize the interest rate, that is, the raising and the lowering of the interest rate, as an effective instrument, not perhaps thorough, but an effective instrument to cause deflation or to assist inflation?—A. Not in that light, no. It has always been considered as meeting the needs of the banks in their commercial business and work outside in the business world.

The assistant deputy Minister of Finance, before the same committee, in 1928, said:

> The Finance Act has been used very little by the banks in the last few years, and any change in rate made by the treasury board I do not think would have any effect on the speculators.

To show how badly mistaken the assistant deputy minister was at that time, may I say that the advances under the Finance Act increased from 1927 to 1928 by practically $50,000,000, and from 1928 to 1929 by another $50,000,000, or an increase of $100,000,000 in those two years.

Mr. BENNETT: What years did the hon. gentleman mention?

Mr. COOTE: From 1927 to 1928 and from 1928 to 1929, taken as of November 30 in each case.

Mr. CHAPLIN: What was it in 1930?

Mr. COOTE: It dropped to $38,700,000. Another of our leading bankers before the committee in 1924 was questioned as follows:

> Q. I understand that you disclaim any power on the part of the bankers' association to control credit in respect to inflation and deflation?—A. That is so.
>
> Q. Would you say that it is better that we have an uncontrolled credit system?—A. I would say so.

Apparently it is entirely uncontrolled. Then the question was asked:

> Q. Just left anyway it wants to be?—A. The bankers, as bankers, must exercise their intelligence.

The past president of the same association voiced practically the same sentiments in respect to the control of credit, when he appeared before the banking and commerce committee, in 1928.

The question naturally arises whether the bankers are using their intelligence to increase the profits of the shareholders of the banks or whether they are acting in the best

interests of the people of Canada. As Miss Savage says:

> They base their contentions on the old Smithsonian argument that the bankers, in acting according to their best interests, are incidentally acting for the best interests of all.

Conditions during the past year, however, seem to disprove this contention. I would think that when the banks were acting according to the interests of their clients they would be incidentally acting in their own best interests. There is always a danger that with such a system as we have in Canada, where a few large banks control most of the banking business, the adoption of an unwise policy by one of these banks might be followed by serious consequences to the whole banking system. It would surely be in the best interests of Canada to establish a central bank which could exercise some measure of control over the policy of banks chartered under authority of this parliament. The situation at present seems to be that the Finance Act is meeting the rediscounting requirements of the chartered banks, but not sufficient consideration is being given to the effect of such rediscounting operations. Miss Savage, in referring to this act, says:

> Its operations in this respect have apparently necessitated the suspension of the gold standard in Canada.

Under such circumstances, it is vitally important that somebody should be responsible for the intelligent application of some recognized policy of general currency control, both in the present emergency, and in case the same situation should recur in the future. The Finance Act completely fails to provide for such control, or even to suggest its desirability. Moreover, all evidence seems to show that nobody in the banking system has, on his own initiative, undertaken to apply any general control policy.

It is quite natural, under these circumstances, that thoughtful people, even though they may have the utmost confidence in the excellent abilities of Canadian bankers themselves, are beginning to realize that there is something lacking in our present banking system.

Another matter which is emphasized by so many economists at the present time is the need of cooperation among the central banks of the world to effect economy in the use of gold. Some of the leading authorities who have made a study of the gold situation agree that estimates of the world's gold production indicate that unless the banking institutions institute economy in the use of gold, there will not be sufficient gold to maintain the present price level.

Mr. Gustave Cassels states that an adequate restriction of the demand of the central banks for gold reserves is a very important part of the policy which must be pursued if stable monetary conditions are to be restored to the world. He says:

> If for the future gold is to attain any stability of value, it is absolutely essential that the central banks should cooperate with one another in suitably limiting the demands for gold reserve.

To those who are interested in this matter I would suggest that they read the interim report of the gold delegation of the League of Nations issued at Geneva in 1930. This committee of the league seem to be quite positive that we may anticipate a reduction in the world's output of gold to take place in the near future.

I do not intend to deal with the question of whether or not Canada should adhere to the gold standard. Whether we do or not, I believe it would be to our advantage in either case to have a central bank in Canada. If we are to remain on the gold standard, we should have a central bank to take care of all our gold holdings and, particularly, to represent Canada at any meeting of the central banks of the world which may be held to endeavour to arrange a common policy in economizing on the use of gold, and to endeavour to arrange for the free movement of gold.

If time permitted I would like to quote from Professor Curtis, who points out the desirability of a stable price level. He expresses the opinion that some control over the price level might be effected through intelligent operation of the Finance Act, and recommends that a central bank should be established to handle the rediscounting which is now done by the Finance Act.

In referring to the operation of this act during the period of inflation in Canada, the peak of which was reached in 1929, Professor Curtis says:

> Such a condition was precisely what developed in 1929, with the result that Canada extra-legally, but effectively abandoned the gold standard.

After referring to the fact that apparently no attempt had been made to prevent the inflation, he says:

> Another less drastic means of control would have been to increase the rate charged on advances.

Then he goes on to deal with the large increase in loans which took place in Canada in the years following 1926. There is a chart in connection with this article, giving current loans in Canada and call loans in Canada and elsewhere. Professor Curtis proceeds:

An examination of this chart shows that until the end of 1923 there was a great increase in all of these and then a very sharp reduction. Current loans in Canada were well below the billion dollar mark in 1925, and these increased to a maximum of $1,473,000,000 in 1929. Call loans in Canada, which in 1925 were running around the $100,000,000 mark, increased to $280,000,000 in 1929. Call loans elsewhere than in Canada, which in 1925 and 1924 were below the $200,000,000 mark, increased to $330,000,000.

From this it can be seen that there was a large absolute growth in all classes, with a tremendous percentage growth. There can be little doubt that this extension was brought about by reserves, and it caused a substantial price inflation in Canada and a virtual abandonment of the gold standard. In Canada the maximum rediscountings were ten times that of the Canadian borrowings, which seems to be out of proportion. Clearly some restriction upon the obtaining of reserves is very much needed in Canada.

I anticipate it will be said that I am taking up the time of this house to discuss a purely academic question when I am dealing at such length with the question of price levels and the stability of price levels. Anticipating such criticism, I should like to quote Sir Josiah Stamp, as reported in Commerce of the Nation, February 1931:

A stable price level is the most bitterly practical of all questions.

I could not get anything more practical than that. And Owen D. Young, a prominent financier of the United States says:

Price stability is one of the most important factors facing the capitalistic system.

The Right Hon. Reginald McKenna, former Chancellor of the Exchequer and chairman of the Midland Bank Limited of London, has this to say:

A stable price level is a thing to be desired second only to international and domestic peace.

I do not need further to emphasize the importance of this question. Now I should like to quote a Canadian banker, and I am glad to be able to offer the testimony of Mr. C. E. Neill, vice president and managing director of the Royal Bank of Canada. Here I wish to compliment Mr. Neill on the speech which he delivered at the last annual meeting of the Royal Bank of Canada in Montreal. It was certainly a very great improvement upon the speeches generally heard at annual meetings of Canadian banks. At this meeting Mr. Neill said:

If on the collapse of the stock market boom the principal central banks of the world had decided that drastic contraction of currency and credit was not to be permitted, a drastic fall in the price level could not have occurred.

What has caused all this trouble through which we are now passing but a drastic fall in the price level? He goes on:

[Mr. Coote.]

Thus the countries with fiat currencies, such as Argentina, Uruguay and Spain are not suffering anything like as acutely as the gold countries.

Mr. GARLAND (Bow River): Page the Minister of Trade and Commerce.

Mr. COOTE: The quotation continues:

If the central banks of all the countries on a gold basis should deliberately adopt a common policy they could within a certain time lag, raise or lower the price level almost at will. Without a common policy, movements of gold would in due course arrest action of one country not in harmony with the policies of others, although the United States, with a huge stock of gold, could probably afford to loose a quantity which no country or group of countries would be willing to receive. On the other hand, she has during the period of 1921-25 received gold on an unprecedented scale without allowing such receipts to creat inflation.

For the future it is absolutely essential that means should be devised to prevent the drastic changes in the price level which have been characteristic of the period since the close of the war. Such changes in their effect are not much less damaging to civilization than those produced by war.

I do not think a stronger statement could be made to this house than that as to the necessity of preventing these drastic changes. The quotation continues:

To change the present situation permanently it may be necessary to revise the charters of all the principal central banks and to come to some clear understanding regarding cooperation. The object to be attained is quite clear—

I want to emphasize these words—

—namely, stability. The artificial exhilaration of inflation, and the agony of deflation must be avoided at all costs. If we go on as we are at present, prospects over a long period point to further reductions in the price level, depressions and unemployment, such as were characteristic of the period of 1870-1896, but accentuated in the proportion that volume and tempo of business has increased.

That is not a very pleasant prospect, but Mr. Neill suggests a way out through cooperation among the central banks of the world. The quotation continues:

I am well aware that the question of central bank policy and its influence on prices is a much debated one; even in recent times, for example, many bankers in the United States have expressed the opinion that the federal reserve system exercises no dominant influence in the price field. Followed to their logical conclusion on a world-wide basis, these opinions indicate a belief that the stability of the world's medium of exchange is practically at the mercy of the elements; that man is incapable of controlling an instrument of his own devising; and that the instability which for generations has caused untold losses to business and suffering to workers must continue to exert its evil influence as chance dictates. I cannot subscribe to any such views. The situation can be remedied. It must be remedied.

The wisdom of that view must commend itself to all who have given earnest thought

to this question. I agree absolutely with Mr. Neill that the situation must be remedied. I believe Mr. Neill would favour the establishment of such a bank, and how else can Canada cooperate in this movement which he suggests unless through such a bank? There is a disposition on the part of many hon. members of this house, and perhaps the majority, to say that the present depression is due to world-wide conditions over which we have no control and, therefore, we must wait until they improve. It seems to me it would be only common sense for us to say that we will do our part to restore these conditions to their former state, and how else and in what better way can we do that than by the establishment of a central bank in Canada to cooperate with the central banks throughout the world in an endeavour to bring about a remedy for the situation? Canada is almost the only country in the world without a central bank. I have not a complete list, but the following will give an idea of those countries which have central banks:

Australia, Austria, Belgium, Bulgaria, Chile, Columbia, Czechoslovakia, Denmark, England, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Japan, Latvia, Lithuania, Netherlands, Norway, Poland, Russia, South Africa, Spain, Sweden, Switzerland, United States.

Mr. BENNETT: Would the Bank of England be regarded as a central reserve bank?

Mr. COOTE: It is generally regarded as such, and I am treating it in that way; the book from which I took this list treats it in that manner. It is well known that many New York bankers refer to Canada as the thirteenth federal reserve district, and I think there is more truth than poetry in that statement. That does not help us to carry out the policy of Canada first about which our Prime Minister is so enthusiastic at the present time.

Mr. BENNETT: I did not catch my hon. friend's last sentence; what is it I am enthusiastic about?

Mr. COOTE: The Canada first policy.

Mr. BENNETT: And I will continue to be.

Mr. COOTE: I hope the Prime Minister will continue to be enthusiastic, but I think if he would establish a central bank in Canada he would be helping to further that object. Anyone who has made a study of the administration of the Finance Act must realize that the present method of control is not very satisfactory. There seems to be no intelligent control over the granting of advances or consideration of the effect which such advances may have upon the general business situation, particularly with regard to price levels.

Mr. BENNETT: It is no use for the hon. gentleman to say that a central reserve bank would be better than something else unless he shows wherein it would be better. I should like to know just wherein a central reserve bank would at this time better serve our conditions than the present Finance Act

Mr. COOTE: I will endeavour to do that in just a moment.

Mr. CHAPLIN: My hon. friend asks the government to establish such a bank; will he tell us how to do so?

Mr. COOTE: I do not know whether my time will permit my dealing with that question, but I will do the best I can. I doubt very much if any attempt is made by those administering the act to ascertain for what purpose the money is loaned and for what purpose it is to be used.

Mr. BENNETT: That is always covered by the character of the security given to obtain the advance.

Mr. COOTE: I would draw the attention of the house to section 6 of the act:

Such securities shall be desposited with the minister or with an assistant receiver general; and the minister may request the trustees of the central gold reserves to make a valuation of and recommendation as to the amount which in the judgment of the trustees may properly be advanced on any securities offered in pledge under this part.

Some time ago I was advised that these trustees were the Bank of Montreal, the Royal Bank of Canada, the Canadian Bank of Commerce and the Royal Trust Company, the latter being a subsidiary of the Bank of Montreal.

Mr. BENNETT: No, not a subsidiary.

Mr. COOTE: These banks are the heaviest borrowers under the act, and it was a very frank admission by the minister at the time this act was passed that no proper machinery was available for the handling of the administration of the Finance Act; there was no one in the department qualified to place a valuation on the securities which were brought to them and for that reason this section was placed in the act whereby the trustees of the central gold reserve would give this advice. The treasury board is charged with the administration of this act, and the secretary of the treasury board is the real administrative head. If I am wrong in that statement I have no doubt the minister will correct me.

Mr. GARLAND (Bow River): What is his name?

Mr. COOTE: The treasury board is composed of cabinet ministers, who I presume do not claim to be banking experts—as a matter of fact I have heard some of them admit that they were not experts.

Mr. BENNETT: May I tell my hon. friend how this is done in practice. Suppose a bank desires an advance of a million dollars. It lodges with the receiver general's office a million dollars' worth of security and receives a like advance in Montreal or Toronto. As a matter of fact this act has been little used during the past year, but occasionally banks require a million dollars or so, sometimes five millions, and they take the very securities which I urged this country to issue, namely, four per cent treasury bills, and deposit them with the receiver general, whereupon, as I have said, they get a corresponding advance of legal tender to enable them to carry on, and upon which they pay interest. What more than that could a central reserve bank do?

Mr. COOTE: According to the records of the committee the former deputy minister admitted that he did not know very much about this matter. For many years we have been without a deputy minister.

Mr. BENNETT: No, we have not.

Mr. COOTE: The former assistant deputy minister is serving a term in the penitentiary for defalcations from the department. The present method of administering the act is certainly not very satisfactory. No bank would think of running its affairs in the manner in which we administer the Finance Act.

Mr. BENNETT: I take strong exception to that statement. I think my hon. friend cannot know how the act is administered. It is done with great precision and the utmost care. If my hon. friend will come with me to-morrow morning, I shall take him to the Finance department and show him how an advance, if one is made,—I do not know if one will be—is made of half a million or a million dollars. The banks as yet are borrowing very little under the act.

Mr. COOTE: I quite realize they are borrowing very little under the act, but possibly in 1928 and 1929 they borrowed too much under the act.

Mr. BENNETT: How much did they borrow?

[Mr. Coote.]

Mr. COOTE: The borrowings amounted to $66,000,000, in November, 1928, and $112,000,000 at the end of November, 1929. I do not know whether that is the greatest amount advanced or not. My idea is that if we had a central bank established in Canada, that bank would be staffed with a few experts just as capable as the experts now in the employ of the chartered banks of Canada. One man said to me: When the banks come to the Department of Finance for a loan under the Finance Act, the department has no experts to advise as to whether the loan should be made or not. I suggest they always have the experts of the banks to advise them. It is clear that is the intention under the Finance Act, namely, that the trustees of the central gold reserve shall advise the Department of Finance at least in regard to the value of a certain class of securities. The act is administered something like a machine. The banks, if they want advances, bring bonds or securities to the department and they receive the advances. I doubt whether in 1928 and 1929 sufficient thought was given to the propriety of making those advances to the banks. I do not wish in any way to be regarded as criticising the banks in Canada generally. I do not know the individual borrowings of the different banks. I know one bank never made use of the Finance Act at all until 1926. Some banks have made more use of it than others. I am not blaming the banks at all. If there is any blame in this connection—and possibly there is none—it would lie with the treasury board. Again I say that the treasury board is not composed of banking experts. The present Minister of Finance (Mr. Bennett), of course, has the advantage over some of his predecessors, in that he knows something more about banking.

Mr. BENNETT: May I interrupt my hon. friend? I do not want to curtail his time, but the question he has just asked is a very important one, that is, as to whether or not an inquiry is made as to the use to which the advance is to be put. Is it suggested that under the Central Reserve Act of the United States, if a member bank deposits securities, there is a discretion on the part of the reserve bank to decline to make the advance?

Mr. COOTE: I think there is. It is quite clear there is.

Mr. BENNETT: It is never used.

Mr. GARLAND (Bow River): It certainly should be.

Mr. BENNETT: Why?

Mr. COOTE: The evidence given by John Skelton Williams, a former comptroller of the treasury in the United States, I think in 1923 or 1924, made that very clear.

Mr. BENNETT: That the reason there are so many failures in the United States is because of that discretion?

Mr. COOTE: Bank failures in the United States are due to the business depression through which they are passing in that country. I was interrupted before I got through completing by last point.

Mr. BENNETT: I trust my hon. friend will accept my apology for interrupting him. I had no intention of reducing his time.

Mr. COOTE: Certainly I shall. As far as we can study the operation of that act superficially from the outside, I think the banks come for the advances when they want them. Of course if they do not want them, they do not come. No thought has been given to this aspect of the case: Will the granting of this advance affect the amount of credit outstanding in Canada to the extent of causing an inflation of prices? Will it make possible too much speculation on the stock exhange? I am not giving my own opinion when I say this, but I have been told it by men who, I think, know more about the case than I do, that the stock speculation which took place in Canada in 1928 and 1929 would not have been possible to such an extent if we had not had these borrowings under the Finance Act.

No doubt someone will oppose my proposal because of the cost. Of course it will cost the government of the country something to start a central bank; but it certainly would be money well spent. I think the money which it would cost the government to run this institution would be easily saved if the bank acted as the fiscal agent of the government. Over a billion dollars of our bonded debt matures in the next five years. The refunding of these loans could be handled by this central bank, if it is established, and there is no doubt in my mind that a considerable saving could be effected if this were done. During the last seven or eight years, no attempt was made by the government to place their bonds in the hands of the small investors of Canada as was done during the war. That is very much to be regretted, and if an effort had been made to place these bonds in the hands of small investors, possibly these people would not have been so apt to speculate with their money.

The average annual income from the Finance Act since its inception has been approximately $1,300,000, and in one year it reached the figure of $3,500,000. It appears to me that the advantages to be gained from the establishment of such a bank far outweigh the comparatively small cost involved. We know that in some other countries the central banks have made very handsome profits. I have not time to give the house an idea of what they are except to state the total earnings of the federal reserve banks in the United States in the year 1927, the last year for which I could find a report of the Federal Reserve board. The total net earnings of all federal reserve banks in 1927 amounted to $593,000,000, divided, in round figures, as follows:

Boston	$ 40,000,000
New York	197,000,000
Philadelphia	52,000,000
Cleveland	58,000,000
Richmond	23,000,000
Atlanta	22,000,000
Chicago	77,000,000
St. Louis	22,000,000
Minneapolis	12,000,000
Kansas City	21,000,000
Dallas	17,000,000
San Francisco	47,000,000

The earnings of the Minneapolis reserve bank amount to $12,000,000, the smallest in the list. I would not suggest that our earnings would in any way compare with those of the federal reserve banks in the United States, but certainly in the earnings of the Minneapolis reserve bank, there is an indication that a reserve bank in Canada would pay very handsome profits. That is one reason why I would urge that, if such a bank is established, it should be owned by and operated for the benefit of the people of Canada, so that the profits might return to the people who really created them.

I should like to refer to the Bank of International Settlements which was established primarily to facilitate the payment of reparations. I think it is likely to become a clearing house for the whole world. I understand provision is made for a board of governors tc be selected from representatives of central banks of all countries. Canada should have a central bank so that she may be represented at the time when these governors are being selected. It has recently been announced that the British government has been able, because of an arrangement with this bank, to withdraw from New York $100,000,000 in gold which it had been holding in that city. To secure some voice in the affairs of this international bank would be an additional reason for the establishment of a central bank in Canada.

May I quote again just a paragraph from this book on Central Banks, by Kisch and Elkin? They say:

> The contribution that a sound policy on the part of central banks, cooperating all the world over, can make towards creating and maintaining stable conditions for industry and employment is immense. This power is perhaps second only to that of government in the broadest sense, which according as it is directed, wisely or not, affects for good or ill the destiny of whole communities.

In conclusion, I would urge that we immediately set about the task of establishing a central bank here and place Canada in the position where she can do her part towards creating and maintaining stable conditions for industry and employment, the need for which is so apparent to-day.

Mr. GEARY: I would like my hon. friend to clear my mind on one or two points. First, is it the plan that the rediscounting operations to be carried on by the central bank would not be dependent in any way on the maintenance of enough gold to give the required credit against the issue of new Dominion notes?

Mr. COOTE: That would be a matter of policy. At the present time I am not suggesting any change except that advances under the Finance Act should be administered by a central bank rather than by officials of the civil service as is done at the present time.

Mr. GEARY: My hon. friend's point is that instead of a board, as we have at the present time, there should be a bank. The bank would perform the same function the board is now performing?

Mr. COOTE: Yes, of course it would have other functions as well. In regard to the Finance Act however, that is correct.

Mr. HACKETT: Would the hon. gentleman define the word "subsidiary." He has used that word, stating that the trust companies are subsidiaries of the banks. I was not aware of any provision in the Bank Act that provided for subsidiaries of that character?

Mr. COOTE: I simply said that I understood this trust company was a subsidiary of one of the banks. I think the trust company really is owned by the bank; at least certainly it is controlled by it.

Mr. LAWSON: My interest in the subject matter under discussion prompts me to ask for some information which undoubtedly my hon. friend has. In view of the fact that an 8 per cent rediscount rate with the federal reserve bank in the United States, resulting in a call loan rate of at least 4 per cent in excess of that amount, at times did not restrain the orgy of speculation in the United States, on what ground does the hon. gentleman urge that the control of the rediscount rate by a central bank in Canada would in the year 1929 have had that effect?

Mr. COOTE: I think Mr. Neill's statement would almost answer the question by my hon. friend. It was quite within the power of the treasury board to have refused at any time to give advances. Whether by making these loans they were making it possible for speculation to continue and to increase would be a matter for them to determine.

Mr. LAWSON: Then, the hon. member is advocating a control of credit by the present treasury board and not the establishment of a central finance bank for that purpose.

Mr. COOTE: I am advocating the establishment of a bank to do that very thing.

Mr. HACKETT: Does the hon. gentleman think—

Mr. SPEAKER: I must remind the house that we are not in committee, and that hon. members are confined to one speech each on the subject before the house. Is the house ready for the question?

Mr. GEARY: Mr. Speaker.

Some hon. MEMBERS: Order.

Mr. GEARY: The question was not put; am I in order?

An hon. MEMBER: With the indulgence of the house.

Mr. SPEAKER: The hon. member has already spoken on the subject.

Mr. MACKENZIE (Vancouver): With unanimous consent I think the hon. member might speak.

Mr. GEARY: I did ask a question, but it has been the practice of the house to allow questions during a speech. I do not think a question should be construed as a speech.

Mr. MACKENZIE (Vancouver): Unanimous consent.

Mr. SPEAKER: I do not rule the hon. member for South Toronto out of order.

Mr. G. R. GEARY (South Toronto): I may be to some extent trespassing on the good nature of my hon. friend from Macleod (Mr. Coote). I really would have liked to ask him further questions, because I seek

information; I do not propose to give it. While my hon. friend quotes from Mr. Neill, with whose speech I am quite familiar, he does not draw from Mr. Neill's speech anything indicative of his opinion that the Dominion of Canada should establish a central reserve bank. Mr. Neill has made the statement that all central banks in combination might have some influence, that they might even have an absolute influence on price levels throughout the world. There is nothing incompatible however in that declaration with the situation we have at the present time. In effect we have a central bank for all purposes. The treasury board in the Dominion of Canada is in effect a central bank. My hon. friend now seeks to substitute for that treasury board a central bank operated along certain principles which he thinks are not the principles in use by the treasury board and armed with certain powers which he thinks are not the powers of that board. I take issue with my hon. friend because the federal treasury board has as much power as that with which my hon. friend would like to endow the proposed central banks. The only question is: How are those powers being used? I think my hon. friend will agree with me that despite his objection to the gold standard being used in Canada, the fact remains that during the years with which he has dealt we were not under a gold standard at all. As a matter of fact we were nominally under such a standard, but in 1929, according to the London Times, Canada was struck from the list of countries holding to the gold standard. Under the pressure of the war in 1914, the Finance Act was passed, and the passing of that act allowed certain operations which became known as rediscounting. That is, instead of adhering to a gold reserve for the issue of notes we established a procedure by which advances could be made to the banks not on the deposit of gold but on the deposit of securities with the Treasury Board of the Dominion. In the year 1923, those temporary provisions made for the first time in 1914 at the time of the war were to some extent built into our financial structure. They have been acted upon ever since. Since that time rediscounting has been done by the treasury board to the extent indicated by my hon. friend. Are we to establish an institution called the central bank to perform the same functions as those now performed by the treasury board but which is directed to make advances in such fashion or with such care as to ensure the amount of credit so advanced being used in a particular way? I think probably that is the object my hon. friend has in mind. Over and above all other considerations he would like a credit so created by a deposit of other securities with the central banks to be admitted in certain defined channels, and in no other way. If my hon. friend seeks to that extent to guide the credit used by banks I think he is embarking on a rather perilous journey. I hope this matter receives the careful consideration of not only my hon. friend but of other hon. members in the house or in committee before we attempt to consider what might be done through the creation of a central bank.

Mr. IRVINE: May I ask a question?

Mr. GEARY: Yes, but it will probably be a hard one.

Mr. IRVINE: Does my hon. friend think there is a relation between the volume of credit in circulation at any time and the price level at such time?

Mr. GEARY: No.

Mr. IRVINE: There is no relation?

Mr. GEARY: No.

Mr. IRVINE: Well then, there is no need of a bank of this kind?

Mr. GEARY: I would not want to go so far as to throw my case away by answering my hon. friend without very careful consideration. My remarks should not be dignified by the term "argument." It was called to the attention of hon. members that we could not continue asking more questions because we were not in committee. So in this cursory manner I have spoken shortly to the house on some of the points which arose in my mind while listening to my hon. friend. It does not seem to me that we should think of boldly passing a resolution which might involve us in the actual creation of a central bank without being able to see the path which would lie before us after the establishment of such a bank. I should be very much pleased if some opportunity were given to increase my store of knowledge from that possessed by my hon. friend and others who have given this subject careful study. It seems to me that having introduced this motion he has done that which at the outset should be done, called attention to what in his mind is a great need, and that he would agree that it might be discussed in some other place at some other time. But that of course is at his option.

Hon. J. D. CHAPLIN (Lincoln): Mr. Speaker, during the course of the address by the member for Macleod (Mr. Coote) I asked him a question as to how he proposed

to have this central bank established. I took it from his speech that he expected the government of Canada would go into the banking business. I can say right off as my own opinion that I do not want to see the government of Canada go into the banking business any further than it is in it at present.

Mr. MACKENZIE (Vancouver): It is in it now.

Mr. CHAPLIN: It is in it now quite enough. I do not want any manager of a government bank to decide who is going to be its creditor. I do not think that is a good thing for us to have in this country. I am opposed to the government going any further into the banking business. Who is going to run such a bank? Who is going to be the manager? Who are going to be the officials? Are the appointments to be political? What else can they be? If, on the other hand, the capital is to come from the general public, then I ask: How long is it going to be before the bankers' association or some of its members control this bank? Why, then, the need of it as far as Canada is concerned? I must confess that I have not given the matter a great deal of study, but I am judging it more from what I heard the hon. member say than anything else. Certainly he has given us no clear idea of how the bank itself is to be established; and that I think is the main and the practical thing in connection with the matter.

There is another point. Who is to control the policy of the bank? I asked a minute ago who was to control the giving of credit by a government bank as applied to Canada with the other banks in competition. I assume from what the member for Macleod said that the issue of all paper money would be in the hands of this bank. What effect would that have upon the other banks? Would it tend to make a lower rate of interest, or a lower rate of discount to people who would be borrowers of money? I do not know. I am inclined to think that it would not, but that it would add to the general expenses of the banks at present without doing any good whatever to anyone.

Mr. R. C. MATTHEWS (Toronto East Centre): Mr. Speaker, I was interested in the address of the hon. member for Macleod (Mr. Coote). At one stage of it I was about to ask him a question, but I decided to abstain because he had already been interrupted, and I did not wish to make any further encroachment upon his time. When he was speaking of the examination of securities offered by banks for rediscount, he made a statement to the effect that in Canada in the Finance department there appeared to be no one who was competent to pass upon the value of the securities offered, and the inference to be drawn was that in a country with a central bank that difficulty would not arise. One would naturally conclude that in the United States, for example, where they have experts in charge of the central banking system, that difficulty would not arise. While the hon. member was speaking I happened to be reading an article in The Banker on American banking during 1930. The following paragraph is on the very point that he was dealing with, and that is why I was about to interject a question:

> In practice, many of the reserve banks have paid little attention to this question of liquidity,—

That is of the securities offered to obtain loans.

> —and have devoted themselves entirely to the getting of collateral security to protect the paper they discounted. Indeed, they might as well have made direct loans to the member banks on the notes of the latter supported by collateral, and without any inquiry into the use to be made of the funds by the banks which received them.

That was the very question that the hon. gentleman was discussing. He said that probably the Finance department in Canada made no inquiries as to the use to be made of the funds by the banks that received them. This article says that the United States member banks are open to that very charge. Let me continue the quotation:

> As a consequence, the various banks have gone on doing practically as they pleased, with the result that at the opening of the panic they were, perhaps, in an unprecedently "frozen" condition. Thus a situation had arisen which cannot be regarded as other than most regrettable from the standpoint of the central banking system of the country.

It is just on that one point that I have risen to take part in this debate. Without knowing much about it, I would venture to say that the loans made by the Finance department of Canada to the chartered banks would compare favourably, from the standards of security and liquidity, with the loans made by the central reserve system in the United States.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I do not propose to make any extended observations this afternoon on this question, except to say that I trust the hon. member who has introduced the motion (Mr. Coote) will regard the discussion which has taken place as sufficient for his purposes, for it is a matter that

necessarily engages the attention of all governments—governments that are anxious to provide facilities of the very best that it is possible for a country to provide for its citizens.

We have a banking system in this country of which I think we may be fairly proud. That banking system is predicated upon the assumption that the amount of money borrowed from the people—who are the depositors—by the banks will enable the banks to so use it as to have it safe for the depositors when they require it and furnish a maximum of service to the people who are served by the banks. Can anyone say that in a broad and general way that is not the Canadian experience? I think not. In other words, the chartered banks of Canada, deriving their corporate existence from this parliament, and exercising the functions conferred upon them by law, are borrowing money day by day from those who deposit their money with them at their several branches, and that money is in turn being loaned to those who are able to satisfy the banks that there is a likelihood of their paying the money they borrow back to the banks that lend it. I need hardly point out that sometimes there has been a tendency to induce people to believe that banks should lend money regardless of security. How can banks lend money without regard for security if what they lend is only what they borrow?—for the capital of the banks is utilized almost entirely in the legal tenders which they acquire under the statutes and in bank premises. It therefore follows that if Canadian banks were to lend money under such circumstances as would place the loan in jeopardy, or under such conditions as would ensure that the loan would not be repaid, the credit would be frozen and the bank would not be able to meet the demands of its depositors and would fail.

That is what has happened in the United States. That is what happened in the instance to which the hon. member for South Toronto (Mr. Geary) has just directed attention. Do we want that condition in this country, or do we not? That is the real question at the very threshold of any inquiry we may make, and all this complicated discussion which sometimes takes place with respect to banks and their place in the community in my judgment must always resolve itself in the end into this simple, single inquiry: Has the bank, through its management, had due regard in lending money to the fact that it may be called upon to repay that money to the source from which it was borrowed?

That is the problem, Mr. Speaker, and the whole science of banking is the maintenance of an equilibrium between time deposits and time loans on the one hand and demand loans and demand deposits on the other, and if for a single moment you disturb that equilibrium to the point that you over-loan on the demand side, it is obvious that you cannot meet the demands of the depositors. It is equally obvious that if you make loans for longer periods of time than the life of the deposits you will find yourself in a similar position. Our banking system has defects; no one will deny that. If you are hypercritical you may be able to say that our system has not done all that we would like it to do, yet our system of branch banks, with the mobility that is possible in the movement of credit from one portion of the country to the other, makes possible loans being made on a large scale by a branch with very indifferent deposits, insured by the easy mobility of credits from a point where there may be an excess of deposits and very limited loans to the point where there is a demand for loans with limited deposits. That is the strength of our branch bank system.

I need hardly point out that during recent years a strong agitation was carried on in the United States for the establishment of a central reserve or federal reserve bank. The result was that, under conditions which need not be referred to now, a very distinguished financier in the senate of the United States evolved the plan which has taken concrete form in what is known as the federal reserve banks of the United States. Mr. Harding, who came here at the instance I think of the hon. member for Macleod, pointed out that he did not believe a regional system of reserve banks could be made serviceable to the community in Canada. I suppose perhaps it is for that reason, among others, that the hon. gentleman's resolution provides for a nationally owned central bank for Canada. That looks like one bank. I will not further discuss the branch bank system, except to say that in the United States there is now a growing tendency to have branch banks established; I will do no more than say that in Great Britain, where they have a great concentration of banking power in joint stock banks, which in turn carry on rediscount operations to some extent either through sales to bill brokers on the street or through the bank of England, they have a very large number of branch banks, more numerous even than they are in Canada. The branch bank system, which has worked so well there and, I submit, so well in Canada, from what

I have read and from my own view of the situation will I believe be extended in the United States beyond the extent which it now reaches. But in that regard I think it is well to point out that in the year 1930 no less than 1,345 banks suspended payment in the United States of America, and that during the month of January of this year 197 banks suspended. During the year 1929 there were 642 banks suspended.

Mr. MACKENZIE (Vancouver): Suspended by whom?

Mr. BENNETT: Suspended payment; that is, they were unable to meet the demands made upon them by their depositors because of the fact that they had loaned money without having due regard to the relationship between time deposits and time loans and demand loans and demand deposits. During the nine-year period which elapsed between 1921 and 1930 inclusive, a total of 5,642 banks suspended payment in the United States, involving deposits amounting to more than $1,700,000,000.

The history of this country, as compared with that of the United States, I submit has been singularly fortunate, and I can only refer hon. gentlemen who are so doubtful as to the steps we have taken to provide for the contingencies which have been mentioned to a book written by the assistant professor of banking at Columbia university, Professor B. H. Beckhart, in collaboration with Mr. Parker Willis, entitled "Foreign Banking Systems." That book contains these words:

> While we know little regarding the policies of the Canadian banks and the methods they employ in exercising credit control, in the sense of lending stability to business, we do know that they support the business man in periods of recession, which, according to Walter Bagehot, is the correct method of crisis financing. We do know that to do this the banks call home their foreign loans and deposits and put pressure, if need be, on the large business man. We do know that the chartered banks have a more or less mechanistic concept of the proportion of cash they ought to maintain to liabilities and that this acts as a check on over-expansion as effectively as would legal minimum cash reserves. Then we know that each bank follows the balance sheets of the others and so develops what might be termed a "balance sheet" concept of credit control. Then at times it seems apparent that the government and the banks have reached a common understanding on loans and investments as during the war period. However, all things considered, we know little compared with our knowledge of the policies followed by the federal reserve banks. But we do know that Canada, whether because or in spite of the stabilizing influence of her banking system, has had more years of prosperity per years of depression than any other nation.

[Mr. Bennett.]

That is the considered judgment of two gentlemen writing an authoritative book upon foreign banking systems. I commend that conclusion to the judgment of the house. But, of course, human plans are imperfect, and the establishment of the credit of a people is something more than the mere putting of money into a bank, the withdrawing of it by cheque and the lending of it in the meantime to someone whom you feel certain will return it. I have always thought the sentence uttered by President Hoover not long ago was one which might be well remembered. He said:

> It is not possible for the debtor to borrow himself out of debt.

Could a more pregnant sentence be uttered? We have always had in mind in this country the necessity of making provision for expanding credit. How have we done it? We have established the principle of a central gold reserve, a central reserve bank. We have placed the Finance Act upon the statute books. And what are the essential provisions of that act? We have provided by that act that the banks of this country that are compelled to provide for the demands of their depositors, and have therefore invested your deposit and mine in sound securities by lending it to their customers, or purchasing bonds, may be able to come to the Finance department and, by depositing those securities, obtain an advance from the Dominion of Canada of its notes, its national notes, its promises to pay—what we call legal tenders. With what result? Let me give an illustration that must suggest itself to most hon. members. A few years ago the Minister of Finance of the day required $45,000,000 with which to meet an obligation of Canada. He did not desire at that moment to make an issue on securities. What he did was to borrow from the banks of this country at 4 per cent and give them the promises of this Dominion to repay in five years. When the banks required additional credit for their customers they deposited those treasury bills at the receiver general's office in any one of the provinces of this Dominion and at once had released to them credit dollar for dollar with the deposit so made. Could anything be more elastic? Could anything better serve the purpose of the customers of the institutions that have credit to grant. During the days when the grain was moving and large credits were required, the banks continuously expanded their credit facilities by just such operations as I have referred to.

My hon. friend from Macleod thinks that the Department of Finance has not a proper appreciation of how to conduct business. Well, all I can say is this: that while during

the last few months the requirements under the Finance Act by the banks have been very limited. there was a time, within the last ten days, when one of the banks of this country required $5,000,000. It merely went to the receiver general's office in Montreal and deposited $5,000,000 of these treasury bills, which it had bought with depositors' money, and obtained release of $5,000,000 of credit of the legal tenders of this country. What could a central reserve bank do more than that? Could it do it as effectively? Could it do it more rapidly, with more expedition, with more certainty, or with greater service to the country as a whole?

Now let us go a step further, because it will be observed that in that case neither the country nor the bank took any risk. The bank had invested depositors' money in the promise to pay of the Dominion of Canada—the collective credit of this country. And that collective credit in the hands of the bank was released the moment it was required, by the deposit of these securities with the receiver general as a pledge against the release of $5,000,000 of legal tender with which the bank could then expand its credit.

My hon. friend refers to the extent to which this power may be used. Every year the Department of Finance determines the extent to which advances will be made to the chartered banks of this country under the provisions of the act. There is a fixed regulation indicating the extent to which advances will be made on given kinds of security. It is 100 per cent on the treasury bills of this country; it is 90 per cent on Canadian guaranteed securities; it is only 65 per cent on other forms of security about which no question may arise; it is a 20 per cent margin on some forms of industrial bonds. But the regulations—I will not go through them this afternoon—are clear-cut and exact. They provide, for instance, that bills with respect to grain or meat or agricultural products may be rediscounted at that central reserve institution under the Finance Act for the purpose of ensuring a continuous flow of credit at the time it is most required. Thus it is that at the beginning of this year the banks of this country were entitled, if they so desired, upon the determination of those responsible for the conduct of treasury affairs, to $200,000,000 of credit. That is to say, if the various chartered banks of this country had so desired, and had lodged proper securities, the Department of Finance had fixed maxima to which it was considered the banks were justly entitled—in the case of the largest, $40,000,000, and in the case of the smallest, $700,000, that bank having since been absorbed by another.

So that you had available, through the operations of the Finance Act and through the Department of Finance, over $200,000,000 of credit if it was required. But what is the extent to which it has been used? My hon. friend gave the figures for a number of years. I will supplement them, giving round figures in every case. They are:

1918	$116,000,000
1919	112,000,000
1920	123,000,000
1921	108,000,000
1922	60,000,000
1923	40,000,000
1924	37,000,000
1925	30,000,000
1926	28,000,000
1927	32,000,000
1928	73,000,000
1929	112,000,000
1930	56,000,000

And in 1931 the maximum to date is something less than $15,000,000—$12,500,000, I believe.

An hon. MEMBER: Are those the peak figures for each year?

Mr. BENNETT: Yes; those are peak figures. Now, why was the peak figure $112,000,000 in 1929? Because western Canada required additional credit and it was there for the asking. There was a large grain crop, demanding additional credit. The tying-up of the movement of grain necessitated that additional credit and it was available under the act to enable the banks to meet the requirements of their customers. The very purpose which my hon. friend from Macleod desires to serve was served by the banks through the operation of that statute. They borrowed this huge sum of $112,000,000, putting up security—not makeshift security but substantial security which the department itself had fixed and determined should be adequate for the purposes intended. Those securities are either, on the one hand, the securities of the country or, on the other hand, first class securities which the bank itself acquired.

You have, therefore, a continuous revolving credit. Look at the operation: acquirement of securities by the bank; deposit of securities with the Finance department; release of credit for an amount varying from 100 per cent down to 65 per cent of the value of the securities deposited. What could be more complete? It may well be that the time will come in this country when it is deemed desirable to expand our present system. I am not saying it will not. I am one of those who believe that you cannot

to-day, with respect to financial operations, say with certainty what it may be desirable to do to-morrow—using the word to-morrow, not in its literal sense but in relation to time as we employ the term in financial operations. It may well be that a change may be desirable, but at the moment nothing that has been said this afternoon indicates anything which would warrant a change—not a word. My hon. friend has said: so-and-so is not good; but that is not enough—he must have more than that before attacking an existing system by saying it is bad. In a court of law it would be necessary to give particulars but not one has been given. It is all right to repeat what somebody has written or said, but this system should be tried in the light of known facts and of our own experience and not by the glittering generalities and theories of others. I am talking of the use made by the chartered banks of Canada of the deposits of the people and the service rendered by their use in obtaining credit through the Finance Act.

The hon. member for Macleod was at one time associated with a bank and I wonder if he will say that the system which prevails in England could be applied to this country. How are money and credit obtained in that country? I will give the house an illustration taken from my own experience. I drew a bill for £100,000. I will say that it was drawn upon the Bank of British North America, which is now out of business. That bill was drawn payable either to myself or to someone else and the bill went to London and was accepted by the Bank of British North America, that bank having its home office in London. That bank, whose credit was high, accepted the bill and the bill brokers sold it—the prices prevailing are known from day to day—but when it was sold to a joint stock bank, for example, what did it do with the bill? The bill having been sold, it was taken to the Bank of England and rediscounted so as to release a certain amount of credit. When the war broke out there was one well-known acceptance firm that had £70,000,000 worth of acceptances on the market. That is the way business was carried on. For a long time one of the greatest institutions in the United States carried on its business so far as credit was concerned by drawing bills upon the greatest private bill banking firm in London—I will not give the name of that firm because they are still doing business—the bills were sold and the money came back to the United States, and they were enabled to carry on their operations in that way. Look at what we have here and compare our method with that system. Let us compare the two methods. I am trying to induce my fellow Canadians to understand that we are not in any sense backward in this matter. This is not an archaic sort of system which has been evolved, it is modern and up to date. This system meets the demands made upon this country and establishes by known means a method of supplying the legitimate credit demands of the people. We should keep in mind the remark of President Hoover, that no debtor can borrow himself out of debt. Compare the two systems and see the excellence of our own. I could give many illustrations to throw more light upon this subject, but I am sure that the house does not require them.

My hon. friend stated to the house that the establishment of a central bank would do something towards establishing greater supervision over the operations of the banks. But we have ample supervision already. First, the shareholders have their auditors, and having had some experience in the past as a director of a bank, I can only say that no statement is ever submitted to the shareholders which does not, first of all, have behind it the certificate given by the general manager and the managers of the banks with respect to every outstanding loan, with the possible exception of a few thousands of dollars in small loans. Then there is the auditor's report, and, third, the scrutiny of the shareholders themselves of the operations of their property by their managers. Then there is another supervision altogether.

Mr. SPENCER: Was that the case with the Home bank?

Mr. BENNETT: Yes. My hon. friend will admit that this parliament paid certain moneys to Home bank depositors because of the very inspection which I mention. That inspection disclosed a state of affairs which caused the commission to state that it would have been the proper thing to have taken steps to wind up that bank instead of permitting it to go on. Does my hon. friend remember that famous phrase: "a moral claim in equity"? That was the basis of the action taken, and the reason thereof.

But, as I said before, there is still another supervision, a supervision for which perhaps the hon. gentlemen who sit opposite and to my right were to no inconsiderable extent responsible, and for which I think they are to be congratulated, that is, the supervision by the inspector general of banks. I think in fairness it should be said that to no incon-

siderable extent the action resulting in that appointment was strongly urged by them upon this parliament. It will be remembered that the general manager of one of our great banks constantly urged that auditors should be appointed—some hon. members will recall that gentleman; he was a Nova Scotian but has now gone to his reward—but that suggestion did not meet with immediate approval, although later on it was adopted. Hon. members opposite urged because of what had transpired that it was desirable that there should be a constant investigation, by some person moving to and fro, of the securities of the banks, and so we have the inspector general. He is constantly on the go and it was largely upon his report, as will be recalled, that the Weyburn Security Bank concluded that they could no longer continue to function because their credits were frozen. In other words, no fresh deposits were coming in and their immediate deposits being invested in loans which could not be collected, they either had to obtain fresh capital from other sources or say to their depositors when they came for their money: We have not got it. After the inspector general had given his advice, they concluded that the best thing to do would be to link up their fortunes with an older established bank able to supply the requisite capital to enable them to continue to serve their customers through that older bank.

There is no lack of supervision of the operations of banks in this country. The inspector general would report to the minister anything out of the ordinary, and the minister, sensible of his responsibility, would take immediate action if it was disclosed that there was such a condition in a particular bank as to cause apprehension on the part of those whose fortunes were linked up with it, namely, the depositors. Most hon. members of this house will realize that neither the inspector general nor the auditors are greatly concerned with the shareholders; that is not a matter of great public concern, which is purely a question of safeguarding the interests of the depositors. The hon. member for Battle River (Mr. Spencer) has referred to an incident which became so exigent and pressing upon this house that action was taken to provide part of the loss which the depositors had sustained in the Home bank.

Mr. EULER: How often are these inspections made?

Mr. BENNETT: The Inspector General is continuously engaged in checking the securities of the banks.

Mr. EULER: Could the Minister of Finance say whether there is any definite period of time that should elapse between inspections?

Mr. BENNETT: As far as I know the Inspector General endeavours to see to it that his inspections are made so that there is no longer period of time between them than the average length of commercial paper that is outstanding. The hon. gentleman knows the average length is less than three months because there are so many short date loans. In the course of time the efforts of the Inspector General will have to be supplemented by others. I do not like to take up too much of the time of the house in dealing with this matter, but I might add that with the large number of branch banks, obviously the supervision is exercised not by visiting the branch banks themselves, but by checking the reports of the managers of the banks at the head office. Then the head office operations are of course scrutinized by him in person as well as the character of the securities which are held and the extent to which the deposits of the debtors of the bank are invested in reliable securities so that they may be at all times available to meet the demands of the demand or time creditors of the bank. That is the position. I think it would serve no useful purpose if I were to take up time to elaborate that.

All I can say to my hon. friend and the house is this: that without stating for a single minute that the system is perfect, I claim for it the following: First, that for a population of ten million people we enjoy the privileges of a banking system that gives as great security to depositors as it is reasonably possible to have—and unless you have security for depositors, you have no banking system at all and there is no development of the country; that is clear—secondly, that the use to which the banks may put the securities required for the protection of depositors ensures such an expansion of credit as enables our banks to meet every demand that has been made upon them; and never has a request been made for more than 60 per cent of the amount which, under the Finance Act we could advance. I have had some knowledge, secondhand, from those who had learned much of the operations of central reserve banks in other parts of the world. When we talk about state banks, we are talking about something entirely different from the system that prevails in Canada. A state bank if set up in Canada would not be analogous to the state bank of Finland or of Jugoslavia or of Greece.

My hon. friend I am sure knows that to set up a reserve or central bank such as has been set up in some other countries, would not do a single thing beyond what we are doing now through the operations of the Finance Act without maintaining a bank at all.

I am not, however, closing the door to convictions which may come to my mind with respect to the matter. I want the hon. member for Macleod and the house generally to realize that. I am conscious of the fact that for the last one hundred years the great desire of people on the American continent has been to secure a stable and safe banking system. Think what this means to a country! Think what has happened to the United States in that regard! No theorists' lectures on credits will get away from the simple, single fact that we have had a more stable and safe banking system than most other peoples in the world and the tribute to it which I have just read to the house should convince us we have some reasons for the faith within us with respect to the present system.

One step more and I shall have concluded. As population increases, as the centre of population changes, as the centres of wealth change, it may well be that the system we now have may not be found to work as conveniently as is desired. When that time comes, time has come for a change; but in the very nature of things a Conservative does not believe in change for the sake of change, nor does he believe that it is essential to make a change merely because you may alter a name. I think most of us believe with Tennyson:

> That man's the true Conservative
> Who lops the moulder'd branch away.

And there is no suggestion of our Finance Act and the operations under it being properly designated as a mouldered branch. Effective and efficient, vital, a part of the organization of the financial structure of this country, it serves the people of Canada steadily and well, and if there be opportunities, as there will be, to improve from time to time the personnel of those who are charged with the responsibility of the Finance department —and I hope to make a change myself at a not distant date—I am sure the house will agree that those changes will always be forthcoming and the necessary action taken. But I ask my hon. friend not to press his motion to a vote at this time because this country is not prepared to make the change that his motion involves, and until it is apparent it is, there is no good reason why the action should be taken. But I assure my hon. friend I am sufficiently alive to human progress to realize that time may come, and if when it comes, we are here, as we probably shall be half a century hence, that action will be taken.

Mr. CAMPBELL: The Prime Minister gave an illustration of the federal treasury borrowing $40,000,000 from the banks on treasury bills. Then I think he said that the banks came back to the government under the Finance Act and secured 100 per cent back again. I wonder just what difference it would make in the system if you cut out the third party to the transaction altogether, and if the government itself secured it by coming to parliament in a particular case of this kind without having the bank in the picture at all. Would that make any particular difference?

Mr. BENNETT: I had expected someone would ask some such question as that, and it involves a discussion that perhaps is not entirely pertinent to the resolution under consideration.

Mr. CAMPBELL: I realize that.

Mr. BENNETT: Possibly when the Finance estimates are under consideration I shall take some time and give my hon. friend a complete answer to the question as I understand it. I think that would suit him better. I have under my hand the figures which would enable me to give the answer, but in view of the fact that my hon. friend would desire, as I go along, to ask questions and because he could not well do that with the Speaker in the chair, if he will defer the matter for the moment until the estimates of the Finance department are under consideration, I shall give him the answer then, if that is satisfactory.

Mr. CAMPBELL: That will be quite satisfactory.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, first of all I wish to congratulate the hon. member for Macleod (Mr. Coote) on the able address he delivered this afternoon stating the reasons why a central bank should be established in Canada. I was delighted to see the keen interest he invoked among the various members of the house, and particularly on the government side, with regard to his address. I must congratulate him also on having drawn out the Prime Minister (Mr. Bennett) by this address to make certain statements which, although we may not entirely agree with them, are at least interesting. The Prime Minister, in referring to the address of the hon. member for Macleod, laid a good deal

of stress on the issue from the treasury board under the Finance Act. He spoke at length regarding the failure of various banks in the United States, but he did not say a single word about the most important point of the address of the hon. member for Macleod, regarding some action to control price levels, which I think, was the kernel of his address this afternoon. He wanted to avoid the continued drawback of extraordinary inflation and deflation, and with that idea in mind he suggested the formation of a central bank of rediscount in Canada so that by the businesslike regulation of currency and credit such a condition as we have at the present time could be avoided.

There seem to be two distinct and basic schools of thought with regard to this money question. At least some hon. members on this side of the house in connection with our banking system of to-day—which in reality is a system of bookkeeping—say that the loan creates the deposit. According to the Prime Minister however, and some who agree with him, the deposit creates the loan. I will have more to say in that regard later. For a moment I would like to refer to a book written by Sir Thomas White entitled "War-time Finance" wherein he stated that during the war years Canada not only surprised herself, but surprised the world when her people subscribed in war loans twice as much money as all the money in Canada and then had ample money to carry on her growing business. I wonder how that was done if only savings deposits were loaned.

Mr. YOUNG: How was it done?

Mr. SPENCER: I will tell you later. My hon. friend from Macleod referred to the fact that so far as banking is concerned the treasury board did not do a great deal. As a government and a country—except in a small way—we have small banking facilities through the treasury board under the Finance Act. In my opinion the banks come into this picture rather largely. So largely in fact do they appear that they are all-powerful, and it is because they are all-powerful that a great many of the public characterize them as the unseen government. We know full well that when a person goes to a private bank he is very much at its mercy if he wishes to make use of his credit. So, to a certain extent, is a country, if it has no banking facilities and has to go to those same banking concerns from time to time to secure various lines of credit. When all is said and done the banking institutions of this country are of a private nature. I admit, and I am very glad to admit, that our banks are in some respects very wonderful. They are probably as good as banks anywhere in the world as far as their interests are concerned. I will not say as much however when I consider the interests of the public. If in dealing with governmental or state affairs the banks find private and public interests clash, then certainly their private interests will not be neglected. Canada's business turnover, in round figures, amount to about $400,000,000. Surely the handling of such an amount should be through a bank of our own. Bankers are not in business for their health; they are there for the profit which can be derived from their operations, and there is no reason why we could not do our own banking through a central bank. My hon. friend from Lincoln (Mr. Chaplin) said he would be afraid to go to such an institution to obtain a line of credit. I do not suggest for a moment that a central bank should give credit to an individual, but as a county and a state I think the time has arrived when we should do our own banking. Money is largely a matter of created credit; it is drawable by cheque. In 1923 Sir Edmund Walker speaking before the banking and commerce committee stated that ninety-six per cent of our transactions in Canada were carried out by the chequing system. Credit is largely created against securities which are lodged as collateral. For the benefit of the hon. member who asked a question a minute ago I might say that credit is secured in the following way: A friend of mine went to a branch bank some years ago, during war time, and wanted to buy certain victory bonds. If necessary he offered to put up extra collateral to cover the loan. He was a wealthy man, but had no cash. The banker said, "That is perfectly all right; we will take your extra collateral. However, the minute you buy those bonds turn them over to us as security and we will see that you get the loan." The purchase of the victory bonds was made possible by the fact that he had security to put up to get a loan backed by the victory bonds themselves. Until the loan was repaid the bonds were not his and if repayment was not made they were sold and the loan liquidated in that way. In my opinion it was not necessary to have a savings deposit ready to make it possible for that particular man to buy his bonds. As I have said, credit is created largely against securities lodged as collateral. All federal securities are gilt-edged. There is no possibility of loss. The cost of bookkeeping which, as I have said, describes our banking system, is less than half of one per cent. To-day even on treasury bills we are

paying seven or eight times that amount. The Prime Minister referred to a time in 1928 when the government of the day, through the Minister of Finance, gave treasury bills to the extent of $45,000,000 to the banks in Canada. In turn they charged 4 per cent for their bookkeeping. As the Prime Minister said they had the opportunity of bringing those treasury bills back and having Dominion notes advanced to them.

Mr. BENNETT: For which, I should have added, they paid interest.

Mr. SPENCER: Yes. The interest at that time was three and three-quarters per cent. The banks were charging the government 4 per cent, or one-quarter per cent more than the government was charging the banks on exactly the same security. For a moment I would like to read a statement by Mr. H. D. MacLeod in the "Elements of Banking." I have no hesitation in putting these quotations on record, in spite of the fact that the Prime Minister may criticize me for so doing. I make the quotation because such men as Mr. MacLeod know the subject thoroughly, and I am very glad to quote them. The quotation is:

> The essential and distinctive feature of a "bank" and a "banker" is to issue credit payable on demand, and this credit may be put into circulation and serve as money.

Further on he says:

> When it is said that a great London joint stock bank has perhaps £25,000,000 of "deposits," it is almost universally believed that it has £25,000,000 of actual money to "lend out," as it is erroneously called. It is a complete and entire delusion. These "deposits" are not "deposits" in cash at all, they are nothing but an enormous superstructure of credit.

Then I bring to my support an authority who is very well known in the financial world, the head to-day of the largest joint stock bank in the world. I refer to the Right Hon. Reginald McKenna. With regard to the question of how can a supply of money be increased he says:

> The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan creates a deposit, and every repayment of a bank loan destroys one.

That is the big difference between the opinions held by some of us on this side of the house and those expressed by various hon. members opposite. The Prime Miniter said that the banks loan only what they borrow—in other words, intimating that the banks loaned only what they borrowed from their saving depositors. I absolutely disagree with that statement. It is entirely a matter between the two schools of thought as to which is right, whether loans create deposits, or whether you must have saving deposits to create loans.

As the hon. member for Macleod said, if we are going to have an international understanding with other banks, then we need a government central bank to represent this country. Mr. Neill of the Royal Bank has said that there is no reason at all for thinking that if the banks of the world had co-operated they could not have stopped this extreme situation that we have to-day with this world unemployment and this general misery. In a world so full of goods, so full of men not only willing and able but anxious to produce more goods for the people to use, there is no reason at all, if we had a reasonably sensible financial system, why poverty should exist in the midst of plenty.

The Finance department, through the treasury board, is virtually a bankers bank. That is to say, as we were told by the Prime Minister, the bankers bring various securities to the treasury board and get them discounted for dominion notes. I understand that some five cabinet ministers are represented on the treasury board.

Mr. BENNETT: The treasury board is composed of members of the cabinet.

Mr. SPENCER: Yes, I understand that. Here again, without being in the least critical of cabinet ministers, I question whether any of them have ever made a study of this problem, and they certainly cannot do so after they become ministers, because then they are far too busy. As the hon. member for Macleod said, under the Finance Act the treasury board is authorized to ask the advice of the trustees of the gold reserves as to what value it shall put on certain securities. Now, of the trustees of the gold reserve a majority are representatives of the chartered banks, and as the hon. member who introduced this subject said, the banks with members on that board at the time he mentioned were the largest borrowers under the act. Therefore they were in many cases putting a value on their own securities. That being so, it seems to me the treasury board is relegated to second place more or less in relation to the bankers association, and I for one object to this. No matter what party is in power, the government represents the whole country, and I object to the government taking second place to any private institution, even though it be the Bankers' Association of Canada.

Mr. BENNETT: Perhaps my hon. friend would not mind saying just what he means by that.

Mr. SPENCER: Section 3 of the Finance Act makes it possible for the minister to request—

—the trustees of the central gold reserves to make a valuation of and recommendation as to the amount which in the judgment of the trustees may properly be advanced on any securities offered in pledge under this act.

I understand—I shall be glad to be corrected if I am wrong—that a majority of the men now acting as trustees of the gold reserves are representatives of the chartered banks. That being so, when they put a value on securities they are in effect valuing securities that they themselves are pledging to the treasury board.

Mr. BENNETT: My hon. friend from Battle River has hardly done justice to himself. That is only in the event of any difficulty arising, because the transaction has long been completed before that. The minister may ask the trustees to value the securities, but the rules and regulations fix the margin to be maintained before the advances are made. That is only an additional assistance to the minister if he desires to use it. I am taking up a little of the hon. member's time.

Mr. SPENCER: It is all right.

Mr. BENNETT: It is just as though the banks sent an inspector to see a lot of cattle to determine whether or not they are really worth what has been suggested by their owner. So in this case where we have fixed rules as to market values, we also have the expert opinion of those who know these securities as to whether or not the minister's judgment is right. That is all.

Mr. SPENCER: I am glad to get the information from the Prime Minister, but I hardly imagine that any of the banks whose securities were brought to the treasury board would put the value of those securities any lower than the value that had been placed upon them by the treasury board.

It does seem to me—and I am supporting the hon. member for Macleod entirely in this—that the government of Canada might well have a monopoly of all note issues. First of all, because it is a government prerogative; secondly, the issue of private bank currency is unfair against the savings bank depositors. I say this because in the case of the failure of a bank the notes are a first call on the assets of the bank, and the depositors rank about fourth or fifth with respect to their claims. Now, there is a clause in the Bank Act as to double liability of the shareholders, and this is supposed to provide ample protection to depositors; but that double liability does not always sufficiently protect them, as hon. members will find by referring to an answer that appeared in Hansard a few days ago in reply to a question of mine respecting the Home bank. The shareholders of that bank did not come through by a long way with their double liability. There is also a note circulation redemption fund which is supposed to take care of such an emergency. But the note circulation redemption fund, which I believe sometime ago amounted to over $6,000,000, can be drawn upon by a bank only to the extent of the money put into it by the individual bank. I believe I am correct in that statement.

Mr. BENNETT: No, the whole fund is available for the redemption of those notes. I am glad my hon. friend brought up this matter; I may say to him that in fifty years not a single dollar has been lost in this way. It does not matter if the bank fails; the bank note is payable at one hundred cents on the dollar.

Mr. SPENCER: Then I understand that the whole note circulation fund may be drawn upon, if need be, to redeem the notes of a bank which has failed. I am very glad to get that information, because in the commitee of 1923 we were led to believe that was not so.

Mr. BENNETT: That is my understanding of it. The point arose only in the case of one bank, and my hon. friend will remember that its capital stock was something over $6,000,000 and the circulation at that time about the same. The notes were taken out of circulation without regard to the redemption fund. It never has been called upon to any extent, as a matter of fact. My appreciation of the language of the statute is that the whole fund is available to make good any deficiency in the bank notes.

Mr. SPENCER: I am very glad to hear that statement. Now, Mr. Speaker, I should like to say a few words in regard to loans, and their effect on the price level. This angle of the subject is by far the most important we have to face. In my opinion the control of credit means very largely the control of prices; if money is increased or decreased to any great extent without taking into consideration the alteration in the production or consumption of goods, naturally you will have

an alteration in prices. Here is an absolute necessity for something to be done. I agree entirely with the hon. member for Macleod in his reference to certain statements made before the banking and commerce committee in 1923, and also in 1928. The bankers came before us and admitted that there was no concerted action at all in regard to the extension of credit or the making of loans in an effort to prevent either inflation or deflation. In both years they said, "Oh, we do this as individual banks, as well as we can and as far as we are able." The result, of course, is absolute chaos at times. If hon. members think for a moment that control of currency and credit has nothing to do with the extraordinary upsetting of the price level at the present time, with the troubles which have resulted, I should like some suggestion as to what they think is the reason. I quote again from Mr. H. D. MacLeod, who said:

> They (the banks) issue credit payable on demand, and this credit may be put in circulation and serve as money.

There is the statement again that the banks have the power to create credit, and he says nothing about lending savings deposits.

I was glad to hear the hon. member for Macleod refer to the most excellent statement made by Mr. C. E. Neill, of the Royal Bank. I am not going to take up the time of the house in repeating what he said, but I should like to quote this time a statement by Mr. T. B. Macaulay, president of the Sun Life, taken from the Montreal Gazette of November 15, 1930. Referring to monetary control Mr. Macaulay said:

> Finally, we have those whose outlook is that "We always have had periodical depressions and they have passed away; we need not worry unduly, for this one will also pass away in time." May I suggest that we are not content to allow epidemics slowly to burn themselves out. We rejoice over every medical discovery which can prevent or cut short such scourges. Economists have now discovered a remedy for depressions as effective as a vaccine. Why should we not endeavour to cut short financial epidemics?

If this central bank were established there is no reason why one of its duties should not be to take over the funds of the post office savings bank. I should like to direct attention to the fact that under the act the rate of interest that can be allowed on these small deposits is four per cent, but under pressure brought to bear on a former minister of finance the rate was cut down to three per cent. On the one hand we give the private banking corporations four per cent, as we did in 1928 against treasury bills, but we give these very small depositors who put money in our post office saving banks only three per cent. The result is that the business has lagged very badly and it is not developing. I think it is something to which we might give more attention.

In conclusion I wish to place on record a resolution passed by the United Farmers of Alberta at their convention last January. I do this because, wherever we sit in this house, we each represent a particular part of the country, and I think it is our duty to put forward the expressed views of the people whom we represent. The resolution reads as follows:

> That we as delegates assembled, recognizing the inadequacy of the existent credit system in meeting present economic stringency, and believing that adequate distribution of credit is absolutely essential to the carrying on of the agricultural industry, recommend:
>
> (1) That this organization continue to advocate at all times the complete nationalization of our credit system.
>
> (2) That as an intermediate measure the federal government take steps to organize a federal reserve bank of issue and discount which bank shall be entirely under government control and shall provide credit at a reasonable rate of interest for all necessary productive and comercial enterprises.
>
> We are convinced that the above proposal is imperative in order to get away from the present intolerable position in which the credit requirements of the public in general are sacrificed to the professed necessity of the charter banks to protect to the utmost their savings deposits.
>
> (3) We specifically recommend that the directors of the wheat pool should thoroughly canvass the possibility of their financing the marketing of their grain through utilization and extension of our present Finance Act.

In putting that on record I wish to refer for a moment to the fact that under the Finance Act one of the various securities which our private banks can take to the treasury board and get discounted is provincial bonds, yet the provincial governments are not given the same privilege. The provincial governments have not the same chance to take these same bonds to the same treasury board, and get the same service that is given to private banking interests.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I had not intended to take part in this debate, but I am encouraged to do so because of the attitude taken by the house in the matter. I observe that the hon. member for Macleod (Mr. Coote) has aroused the interest of all sides on a question which undoubtedly to-day is one of the most important, if not the most important, facing all countries.

In his closing remarks the Prime Minister (Mr. Bennett) emphatically asked us to try

the system, as in court of law, in the light of known facts. I am afraid that if we were to do that there would be nothing but general condemnation for the system which is largely responsible for the condition in which the people find themselves, not only in Canada but throughout the entire world. Using one of those glittering generalities to which the right hon. gentleman took exception, may I quote the words of the Right Hon. Ramsay MacDonald, as given in the New Age of January 8, 1931. Mr. MacDonald on that occasion said:

> A few financiers in New York, in London, or in Paris, pursuing their own ends and looking after their own fortunes, are able to destroy the fruits of good harvests and the productive accomplishments of human energy.

That is the fruit of an uncontrolled monetary system left in the hands of private individuals, whether it be in Canada or in any other country, operated by private interests for private profit. And that is the case throughout the world to-day.

There is no truly nationally-owned system anywhere, and in this regard I take exception to the suggestion of the hon. member for Macleod. I do not think he has made out a strong case for a central bank on the ground that other countries have central banks; because in other countries, we find, the central banks created there have not only failed to remedy the condition and prevent a recurrence of periods of financial and business depression, but have actually been a party to them. I remember not so long ago seeing one of the most effective cartoons I have ever come across in my life. It appeared in that well known international London publication, Punch, and was by a famous cartoonist. It depicted a dear old lady crossing the street, very much to the obstruction of traffic, while the policeman shouted, "Hurry up, ma'am!" The woman was the Bank of England. That was an accurate picture. Punch was right. And economic authorities in England were equally right in the view that the Bank of England, in precipitately restoring the gold standard, thus curtailing credits and making for deflation, was responsible for a condition of depression which has not lifted since the day that standard was re-established.

The other day there occurred a revolution in Spain; and one of the first rumours I have heard in connection with that occurrence is that a primary cause of the upheaval, apart from distrust of and dislike for the monarchy, was the attempt on the part of that country to restore the gold standard and so bring about deflation, with all the horrible effects that follow that unwise policy. Let me not be misunderstood: I regard an unwise policy of inflation as an evil second only to deflation in its effects. But here you have this system we are asked to try upon its merits. In the spring of 1929 in this very city I was watching the call money issues as daily reported and I found call money quoted day after day at 1½, 1¾ and 2 per cent—an encouragement to speculation. First, there was a borrowing of money at this rate, the lowest possible rate of interest commensurate with business dealings, enormously facilitating speculation. Then suddenly we find the policy reversed: almost over night—according to the federal reserve board in the United States and other authorities the call money rate begins to advance rapidly, going to 5, 6, 8 and 10 per cent. Before the peak is reached there is a pause, and presently more money is forthcoming.

Mitchell, of the National City Bank of New York, broke away from the federal reserve board and rejecting its policy, threw tens of millions of dollars into the call money market. Then more cash money was forthcoming. The high rate of interest encouraged other cash reserves to make their appearance upon the market. What hapened was this. The cash reserves of great corporations were used—probably most illegally, but nevertheless effectively—to bolster up a market which it was the bankers' policy to deflate. That there was self-interest behind the action, there is no doubt; because, through that flood of new money coming into the call money market, in spite of curtailment of bank loans, and in spite of the persistent advance of money rates, from 15 to 18 and finally 20 per cent for call money, the price level of many stocks was raised above the price level of 1928, reaching in some instances new highs. And it was not until the fall of 1929, when these cash reserves were just as suddenly withdrawn, that the whole bottom fell out of the market and the cataclysm was upon us.

Hon. gentlemen opposite, and indeed to my right, have in times past contended that the bankers could not affect price levels and that they did not bring about deflation. To-day we have witnesses, fortunately among the bankers themselves, to the fact that our allegations back in 1923 and 1924 were correct, and that it is the banking policy that brings about periods of deflation. All you need do is turn to the report of Mr. Neill as quoted to-day. You have only to turn to the report of the president, Sir Herbert Holt, and a dozen other reports of bankers not only in this country but in the United States, to find that they charge now that it was a deliberate policy of

deflation, emphasized by high interest rates, that was primarily responsible for the present depression. That is the policy of private bankers. Let me give a quotation to buttress this statement. Sir Herbert Holt says:

> There can be no doubt that the abnormal credit conditions during 1928 and 1929 must be held primarily responsible for initiating the present world-wide depression. High money rates had their inevitable effect of depressing business and paralysing development.

These are very effective words. I turn now to Mr. Neill:

> This year the primary difficulties with which this country is confronted—

Not some other country, but this.

> —are world-wide in character and find their origin in disruption of the international financial structure. . . . . It would seem that the outstanding cause of the present world-wide depression was high interest rates.

Not long ago I had the great privilege of having a conference with one of the eminent bankers in this country, and in the course of the discussion I asked him what was the outlook for the future. He astonished me by admitting at once that the first thing we might expect would be an all-round, general reduction in the wage level. But, I said, that means, inevitably, smaller purchasing power, a lessening demand for goods. He said, yes; but it is inevitable. I said that that would be followed by a lower price level. He said, yes. How long will it continue—I asked. He said, "I cannot say; it may be for a generation." That, Mr. Speaker, is the fruit of this much boasted banking system—the possibility of a generation of low price levels, a lower standard of living, and a reduction in wages. Proceeding, I asked him: Is there nothing we can do in this country? Cannot your banks do something? He said, "No. As ordinary commercial institutions, we have neither voice nor effect in regard to general money policies throughout the world. And as this depression that visits us is in part due to world depression, we are ineffective in bringing about any modification in the conditions." I asked, further: What about trying to adjust matters in this country? How about a little inflation? Would it not be possible to reduce the rates to your own borrowers in Canada and thus let out more money? He said, "That would mean going off the gold standard." And so the dear old fetish, the gold standard, was once more appealed to—that piece of superstition which is more evil in its effects, more effete to-day, than the most time-worn and despised medieval superstition. That fetish of a gold standard is brought in to rescue an eminent banker who is unable to offer any other solution for the present problem, than the drift to lower living and wage standards, and which calls urgently for some intelligent international action to regulate the monetary system. Consider his position, that failing international action we drift in depression; for there is confronting us our inability to take any action as private commercial banking interests in Canada. It is alleged then that our own banks cannot affect or remedy the situation in Canada. I disagree with this position and I agree with the hon. member for Macleod that an intelligent application in this country of an inflation policy carefully regulated and controlled would improve our present condition and tide us over the period of adjustment of the world depressions. However, he says that we must not do this because it would mean going off the gold standard. Most people, except the hon. members in this corner of the house, say that we must not go off the gold standard. The other proposition is that we must have international regulation of money. As Mr. Neill indicates in his report, the best way to overcome deflation is by an anti-deflation policy, and an anti-deflation policy can mean only one thing—an inflation policy, carefully regulated and intelligently adjusted. At the bottom of the second page of his report, Mr. Neill says:

> When all financial centres feel that business does not require more money, then is the time to increase the supply, just as truly as it is time to reduce supply at the moment when inflation begins to appear. If on the collapse of the stock market boom the principal central banks of the world had decided that drastic contraction of currency and credit was not to be permitted, a drastic fall in the price level could not have occurred.

It must be remembered that this is a banker who is speaking, not a theorist, a crank, a faddist or any of those things which we in this corner of the house are sometimes called. I wish to emphasize these words:

> Thus the countries with fiat currencies, such as Argentina, Uruguay and Spain,—

He might have included Australia.

> —are not suffering anything like as acutely as the gold countries.

That is only too true. I am not urging at this stage that we should not have some basis of currency; we must have some basis of regulation of currency, but the gold basis has become altogether too narrow—as was pointed out by the hon member for Macleod —especially when we find that the volume of gold is not only diminishing but is being concentrated to a greater extent every year in two countries. The two countries controlling the gold situation are France and the United

States, with England still retaining a measure of control but not nearly as effective as the two mentioned. Of all the countries of the world, the United States is the one to which we should be able to look for intelligent action because of the position she occupies and because of the vast reservoir of gold held by her. However, I do not think that is possible because, although they have a national bank of a kind, the federal reserve bank, I do not think there is any doubt but that the policy of that bank is dictated not by the best policy for the industries of the country but by the political interests of the party which may at the time have jurisdiction over the board. I agree with the hon. member for Lincoln that any national bank to be created in this country should not have the slightest taint of politics about it if it is at all possible to avoid it. One great curse in connection with the federal reserve board of the United States is the fact that the secretary of the treasury is the ex-officio chairman of the board and as such can exercise—I do not say that he always does, but he has the power—a tremendous influence upon the policies of that board.

We find the bankers of this country agreeing almost unanimously that the present depression could have been avoided and should have been avoided by the federal reserve board taking intelligent action in 1927 to prevent further inflation. It is claimed that that action was not taken because of political reasons. The whole machine got out of hand and when the time to deflate had come, the crisis had been reached and the calamity followed. That is not intelligent action, and yet that is the system, or one equally ill-controlled, prevailing in all countries I know of on a gold basis or that have central banks. Therefore, a resolution moved for the purpose of simply setting up a central bank does not appeal to me. If, however, by the setting up of a central bank is meant the creation of an intelligently organized and controlled machine which could be used for the purpose of adjusting the volume of currency in a country to meet the requirements of business both in and out of that country, to cooperate with similar central banks in other countries for the regulation of the monetary standard and volume throughout the world, then I say that that thing is only too sadly needed; we have needed it for many years and we have never needed it so much before. We have bankers, economists and politicians stating that this depression is due to deflation. Others say it is due to the demonetization of silver; that we must remonetize silver. Others say it is due to a mistaken federal reserve policy, while others say it is due to this, that and the other thing. If the world is in such chaos as a result of an unintelligently operated private banking system in every country, surely the time has come when in the national interest it is the duty of the government to study the problem and find out if it is possible to create, first, a national banking system which will before everything else take recognition of the necessity for keeping the volume of currency always in proportion to the value of goods to be consumed; second, to see that neither inflation nor deflation occurs; and, third, to undertake cooperation with other national banks throughout the world in order to retain the stability of money and price levels.

We are making an intelligent request. May I say to the hon. member for Lincoln that I have discussed this matter with the hon. member for Macleod. He is not dogmatic on the question, he does not insist on any particular form of national bank, but what we really seek at this time is a discussion of the problem in an endeavour to find out if some system can be evolved by which the present wrong conditions may be adjusted.

I hope the hon. members of the Liberal party caught the significance of the generous remark of the leader of the government (Mr. Bennett) when he said that under the present banking system, the country has been carried on to periods of greater prosperity than had been enjoyed by any other country in the world.

Mr. BENNETT: The hon. gentleman knows perfectly well I did not say that.

Mr. GARLAND (Bow River): I am very sorry because I would be the last to do any injustice to the right hon. gentleman. I happened to take a note as the words were uttered because they interested me considerably. I noticed that shortly afterwards the hon. gentleman suggested something to the effect that we could not get rid of debt by continuing to borrow. That was a most significant statement.

Mr. BENNETT: I was quoting President Hoover's observation.

Mr. GARLAND (Bow River): Quite right, but I presume the hon. gentleman made the quotation his own.

Mr. BENNETT: I am not in the habit of making quotations my own; the hon. gentleman is a past master at that.

Mr. GARLAND (Bow River): Then I cannot understand the purpose of making quotations in a speech unless it be for the purpose either of accepting or rejecting the

philosophy or argument contained therein. In this instance, the quotation was uttered as though the right hon. gentleman completely approved of it.

Mr. BENNETT: So I do.

Mr. GARLAND (Bow River): I am glad to hear that. We have in our world banking system a debt creating structure unequalled in its ferocity and effect. The mind of man has never devised anything which could so satisfactorily involve the people in debt and keep them there. I would like to quote from the Monthly Review of the Bank of Nova Scotia, one of the best written works we have on current affairs, as follows:

> The completion of these adjustments (for the problem is world-wide) would, of course, be considerably hastened by a better distribution of the total available purchasing power, among the countries of the world; for the creditor countries are not lending to the debtor countries as they were lending during the years of prosperity, and must again lend, if their own export trade is to revive; and some of the debtor countries, lacking the loans which previously fortified their purchasing power, can scarcely do more, at the present time, than pay their current obligations.

The conclusion inevitably to be drawn from this statement is that unless the creditor nations proceed to assist the debtor nations to go further into debt, international trade cannot be restored. Of course it cannot. Mr. Neill in his report says much the same thing. He referred to the whole problem and suggested that it was largely because "long before the 1929 collapse high money rates had almost entirely shut off new loans to borrowing countries and with them the concomitant ability to purchase foreign goods."

So we have something that the Prime Minister quite properly objected to and yet supported, namely, a monetary system which compels us to go into debt if we are to continue under the system. Nations to-day under this condition of affairs cannot continue to buy from other nations if they happen to be debtor nations, unless there is some regulation of the whole monetary machine throughout the world, some adjustment of international debts, some modification of the present method of supplying credits. There you have the statements of an economist and a banker, Professor Jackson and Mr. Neill, both of them intimating that until the creditor countries lend more money to the debtor countries, international trade cannot be revived. Is it necessary to say anything further in regard to the shortcomings of a system of that kind?

The Prime Minister said either too much or too little, when he told us the story of the bank that recently—I think he said within a few days—had come to the treasury board or rather, to the office in Montreal, had deposited there treasury bills which had been purchased with depositors' money and had secured in return $5,000,000 in Canadian currency.

Mr. BENNETT: I may say that this has been paid off.

Mr. GARLAND (Bow River): That is very satisfactory and relieves me of obligation of further comment at this time. But we are in a tangle; I dislike the idea of this resolution being hastily dealt with, and I would prefer to see it go to a committee for further consideration. All members in the house have signified their willingness to consider it further, even the Prime Minister who was good enough to say he had not a closed mind. I therefore move:

> That the motion be amended by striking out all the words after "house" in the second line and substituting therefor the following:
> "the question of establishing a nationally-owned central bank should be referred to the committee on banking and commerce for consideration and report."

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

Thursday, May 14, 1931

The house met at three o'clock.

ASCENSION DAY

QUESTION OF PROPRIETY OF SITTING ON RELIGIOUS HOLIDAY—MOTION TO ADJOURN FOR ASCENSION DAY

Mr. VINCENT DUPUIS (Laprairie-Napierville): Mr. Speaker, before the house proceeds with the regular business of the day, I rise to a question of privilege. I am a member of one of the chief religious bodies in this country which observes this holiday, namely Ascension day, as fully as it observes Sunday. I wish to ask the government to relieve us from the necessity of sitting this afternoon. I give the following reasons:—

Mr. SPEAKER: I gather from what the hon. member has said that he is not raising a question of privilege. To-day the house is sitting regularly and in accordance with the rules. The only way the house could dispense with the sitting is by a motion to adjourn. At the close of the last sitting there was no such motion, and consequently the sitting to-day is perfectly in order. In addition the hon. member is not raising a question of privilege.

Mr. DUPUIS: Mr. Speaker, I have great respect for your—

Mr. SPEAKER: I call the hon. member to order.

Some hon. MEMBERS: Order.

Mr. DUPUIS: I hope the cries of "order" I hear from the other side of the house do not mean that hon. members object to my speaking on the subject.

Mr. SPEAKER: I have called the hon. member to order. He is out of order in continuing to address the house at this time.

Mr. DUPUIS: May I quote—

Some hon. MEMBERS: Sit down.

Mr. CASGRAIN: The ruling has been given.

Mr. DUPUIS: I rise to a point of order. Probably not according to the rules, but at least according to the jurisprudence of this house, Ascension day is a legal holiday.

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: I am quite familiar with the passage in the book to which the hon. member refers. Whether the house sits on public holidays or not lies within its own discretion. It has not chosen to adjourn for this holiday, and the sitting is in order. If the hon. member who has just spoken or any other hon. member did not wish the house to sit to-day it was his privilege to move the adjournment. However, that has not been done. The hon. member should not attempt to stress the point when he has been called to order.

Mr. DUPUIS: Mr. Speaker, I beg to move the adjournment of the house.

An hon. MEMBER: The hon. member is too late.

Mr. DUPUIS: I think not. I move the adjournment of the house.

Mr. SPEAKER: Who seconds the motion?

Mr. DUPUIS: The hon. member for St. Denis (Mr. Denis).

Mr. SPEAKER: A motion for adjournment is not debatable.

Mr. DUPUIS: I would ask that we take the vote.

Mr. QUINN: More obstruction, absolutely.

Some hon. MEMBERS: Question.

Mr. SPEAKER: It is moved by Mr. Dupuis, seconded by Mr. Denis, that this house do now adjourn.

The house divided on the motion (Mr. Dupuis) which was negatived on the following division:

YEAS

Messrs:

Arsenault,
Baribeau,
Beaubien,
Belec,
Bertrand,
Bouchard,
Boucher,
Bradette,
Buckley,
Butcher,
Cardin,
Casgrain,
Cormier,
Denis,
Dorion,
Dubois,
Duguay,
Dumaine,
Dupuis,
Ferland,
Fiset (Sir Eugène),
Gobeil,
Hanson (Skeena),
Hepburn,
Howden,
Ilsley,
Jacobs,
Lacroix,
Laflèche,
Lapointe,
Larue,
Laurin,
MacLean,
McIntosh,
McMillan (Huron South),
Motherwell,
Neill,
Perras,
Power,
Reid,
Rhéaume,
Rinfret,
Robitaille,
Sanderson,
Séguin,
Tétrault,
Urquhart,
Veniot,
Young.—49.

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Barber,
Beaubier,
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Bowen,
Bowman,
Boyes,
Brown,
Burns,
Bury,
Cahan,
Cantley,
Carmichael,
Casselman,
Cayley,
Chaplin,
Charters,
Coote,
Cowan (Long Lake),
Dickie,
Dupré,
Duranleau,
Edwards,
Ernst,
Esling,
Fraser (Cariboo),
Ganong,
Gardiner,
Gordon,
Guthrie,
Hall,
Hanson (York-Sunbury),
Hay,
Heaps,
Irvine,
Johnstone,
Jones,
Kennedy (Peace River),
Kennedy (Winnipeg South Centre),
King, Mackenzie,
Lawson,
Loucks,
Lucas,
MacDonald (Cape Breton South),
Macdonald (Kings),
MacInnis,
MacLaren,
MacNicol,
Macphail (Miss),
McGibbon,
McGillis,
McGregor,
McLure,
Maloney,
Manion,
Matthews,
Mullins,
Murphy,
Myers,
Nicholson,
Peck,
Perley (Qu'Appelle),
Pettit,
Plunkett,
Porteous,
Price,
Quinn,
Robinson,
Rogers,
Rowe,
Ryerson,
Senn,

Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smoke,
Spankie,
Speakman,
Spence,
Spencer,
Spotton,
Sproule,
Stanley,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sutherland,
Swanston,
Thompson (Simcoe East),
Thompson (Lanark),
Turnbull,
Weese,
Weir (Melfort),
White (Mount Royal),
Willis,
Wilson,
Woodsworth,
Wright.—107.

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

Mr. TUMMON: I was paired with the hon. member for Hochelaga (Mr. St-Pere). Had I voted I would have voted against the motion.

Mr. CHEVRIER: I was paired with the hon. member for East Toronto (Mr. Ryckman). Had I known pairs did not count I would have voted for the motion.

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

Mr. GOTT: I was paired with the hon. member for Kent, Ontario (Mr. Rutherford). Had I voted I would have voted against the motion.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted I would have voted against the motion.

Mr. HEENAN: I was paired with—

Some hon. MEMBERS: Sit down.

Mr. HEENAN: Sometime ago some remark was made about smart alecs in the house. Apparently they are not all gone. I was about to say that I was paired—

Some hon. MEMBERS: Pairs do not count.

Mr. HEENAN: Apparently there are some smart alecs with us yet. I was paired with the hon. member for Digby-Annapolis (Mr. Short). Had I voted I would have voted for the motion.

Mr. PERRAS: Since the vote has resulted in this way I wish to say that I will not sit in the house to-day.

[Mr. Speaker.]

CRIMINAL CODE AMENDMENT

PROPOSED CHANGE IN METHOD OF DEALING WITH APPLICATIONS FOR BAIL

Mr. FINLAY MacDONALD (Cape Breton South) moved for leave to introduce Bill No. 46, to amend the Criminal Code (Bail).

Some hon. MEMBERS: Explain.

Mr. MacDONALD (Cape Breton): This bill is intended to repeal the section of the criminal code dealing with the granting of bail to convicted persons. Under the present arrangement, when a person is convicted only the chief justice or some judge designated by him may grant bail. This is very inconvenient for lawyers practising in the country, because the chief justice usually resides at the provincial capital. This amendment is designated to give any trial judge the right to grant bail to a convicted prisoner, if he thinks fit, until his appeal has been heard. As a matter of fact I know of cases where bail has been refused and the prisoner has remained in gaol for two or three months until his appeal was heard. Then, on the hearing of the appeal, the conviction has been quashed. This amendment is designed to do away with that situation and to enable any trial judge to give bail, under proper circumstances, pending the hearing of the appeal.

Motion agreed to and bill read the first time.

NATIONAL RAILWAYS AND SHIPPING

APPOINTMENT OF SELECT STANDING COMMITTEE TO CONSIDER ACCOUNTS AND ESTIMATES

Hon. R. J. MANION (Minister of Railways and Canals) moved:

That standing order 63 of the House of Commons relating to the appointment of the select standing committees of the house, be amended by adding to the select standing committees of the house for the present session a select standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred the accounts and the estimates of the Canadian National railways and the Canadian government merchant marine for the present session, for consideration and report to the house.

Provided, however, that nothing in this resolution shall be construed to curtail in any way the full right of discussion in committee of supply, and that the said committee consist of Messrs. Beaubien, Bell (St. Antoine), Bothwell, Cantley, Chaplin, Duff, Euler, Fiset, Fraser (Cariboo), Geary, Gobeil, Gray, Hanbury, Hanson (York-Sunbury), Heaps, Kennedy (Peace River), McGibbon, MacMillan (Saskatoon), Manion, Power, Rogers, and Stewart (Lethbridge).

Mr. DUFF: Are the Canadian National steamships included in the Canadian Government Merchant Marine?

Mr. MANION: Yes.

Motion agreed to.

REPARATIONS COMMISSION

REPORT OF COMMISSIONER RESPECTING ARMENIAN CLAIMS

Hon. C. H. CAHAN (Secretary of State): I desire to lay on the table of the house a report made to His Excellency the Governor General in council by Errol M. McDougall, K.C., commissioner on reparations, dealing specially with Armenian claims. If the house would permit it, and at the request of hon. members on both sides, I should like to make a very brief statement as to the purport of the findings of the commissioner.

These claims arise out of the Armenian massacres in 1915, when the Armenian population of Turkey, which was then estimated at 1,800,000, was two-thirds wiped out, one-third by death and one-third by deportation and dispersal in other countries. Apparently one-third survived, dispersed throughout Turkey. There are a number of Armenians who are naturalized British subjects residing in Canada, and who therefore came within the definition of Canadian nationals within the terms of the treaty of Versailles. The commissioner on reparations has disallowed these claims, to the number of some 270, on three grounds, which may be briefly summarized as follows: First, the property destroyed in Armenia as to the majority of claims, was, according to his findings, the property of Armenians who were Turkish nationals at the time of such destruction, and not the property of their relatives who were then resident in Canada who have proved that they were Canadian nationals at that time. This conclusion rests upon the facts disclosed by the Bryce report and by the findings of the Canadian commissioner, that the destruction of the property took place concurrently with or before the massacre of the Armenians, to the number of 600,000.

There occurred, in fact or constructively, a seizure of the property by the Turks before the claimants resident in Canada inherited the property from their relatives then resident in Armenian Turkey. The commissioner therefore finds that the claims of the Canadian claimants did not fall within sections 231 and 232 of part 8, and the annex thereto, of the treaty of Versailles.

The second ground is that by an international convention of November 23, 1923, an international commission was set up at Paris, La Commission D'évaluation des Dommages subis en Turquie, which is known generally as the Paris commission of 1923.

These claimants filed their claims with the Canadian custodian during the term of the late government, and their claims were by that government, through the Canadian custodian of that date, referred to the international commission sitting at Paris. The claimants appeared by counsel before the Paris commission, submitted to that jurisdiction, and put their cases before the commission, offering evidence both documentary and oral. The Paris commission granted awards to certain Canadian claimants for the loss of wife or children at the time of the massacres, but dismissed the property claims of the Canadian nationals on the ground that there was not sufficient evidence to support those claims. The documentary and oral evidence submitted before the Canadian commissioner, Mr. McDougall, was practically identical with the evidence submitted before the international tribunal at Paris, and therefore the Canadian commissioner has dismissed these property claims on the ground that the claimants were estopped in respect of claims which they had submitted already to the Paris commission whose findings were against them.

The third ground is that even although the Canadian commissioner were to assume jurisdiction, the evidence submitted to him, including the evidence submitted before the Paris commission, does not constitute proof of the claims preferred and cannot form the foundation for awards by the Canadian commissioner. In other words, the bulk of the claims made by the Canadian nationals, that is by Armenians who were naturalized British subjects and resident in Canada, were not valid because there was no legal title vested in them prior to or at the time the massacres took place, and when the destruction of property occurred, but their claims were based on title by inheritance to property which would only vest in them upon the death of their compatriots and relatives who were massacred in Turkey; and the commissioner holds that at the time of its destruction the property was vested in Turkish nationals—Armenians then resident in Turkey—and not vested in the Canadian nationals who would have inherited by reason of the death of their relatives by massacre. There was no proof of title nor proof that individual Canadian claimants became exclusively entitled to inherit. Some 600,000 Armenians survived and became dis-

persed, and there was no proof available to show that even in respect of title by inheritance these Canadian nationals would necessarily have exclusively inherited the property. The commissioner finds also that there is an utter lack of concrete, conclusive evidence as to the value of any property alleged to have been destroped.

These are the general grounds upon which Commissioner McDougall disallowed the 270 Armenian claims. A large number of the hon. members are interested in this matter and I am told that it is likely to be brought up again for discussion.

By leave of the house, I beg to move, seconded by the right hon. member for Argenteuil (Sir George Perley):

That four hundred copies in the English language and two hundred copies in the French language of the special report by Errol M. McDougall, K.C., Commissioner on Reparation, upon Armenian claims laid on the table of the house this day be printed forthwith and that standing order 64 in relation thereto be suspended.

Hon. FERNAND RINFRET (St. James): Inasmuch as these Armenian claims have been dismissed, is the hon. minister (Mr. Cahan) in a position to state when we are likely to have the final report of the commissioner on the other claims? Is it the intention of his department to recommend a vote of money to cover these claims when the report is brought down?

Mr. CAHAN: I cannot answer that. I gave a very conclusive answer to the hon. gentleman the other day as to the number of claims outstanding which have been heard, and those still to be heard. The commissioner has devoted his whole time to this work and at the earliest moment at which it is possible to give a reliable statement, I will furnish such a statement to the house. As to asking for a vote to cover these claims, that would depend entirely upon the final report being approved by the governor in council and the action taken thereon with respect to it.

Mr. RINFRET: I understand that the claimants covered by the interim report have been paid already.

Mr. CAHAN: The claims covered by that report were paid out of an appropriation made at the last long session of parliament for the payment of such awards as were made during the past year. That appropriation which expired on March 31 was used before that date for the payment of those awards which had been approved by the governor in council in accordance with the procedure of previous years.

[Mr. Cahan.]

Mr. RINFRET: I have some doubt as to whether or not the money voted last year was properly used to pay the claims covered by the interim report; I do not object to the principle of those payments but I do not think the money was voted for that purpose.

Mr. CAHAN: The hon. gentleman can raise that question at the proper time. The advice of the proper officers was taken and it was quite conclusive in respect to the legality of the payments made.

Motion agreed to.

BANKRUPTCY ACT AMENDMENT

Mr. MAURICE BRASSET (Gaspé) moved the first reading of Bill No. 42, to amend the Bankruptcy Act as respects locality of a debtor.

Some hon. MEMBERS: Explain.

Mr. BRASSET: Mr. Speaker, this bill has reference to the province of Quebec and would require a petition to be filed in the judicial district wherein the debtor resides, such district to be as defined by the Quebec statutes. This bill would lessen the expenses of insolvents. For instance, at the present time the courts in Hull or in Montreal may accept a petition to declare insolvent a resident of Gaspe county, and that person is obliged to come to Hull or to Montreal in order to defend the petition. The purpose of this bill is to obviate that trouble and expense.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*PACIFIC SEALING AWARDS

Mr. NEILL:

1. Has the government received petitions or applications for the reconsideration of the sealing award in relation to the Pacific seaboard?

2. If so, will such petitions receive favourable consideration?

Mr. BENNETT: Mr. Speaker, an answer to this question was prepared by the hon. Minister of Fisheries (Mr. Rhodes) but in his absence I think it can be answered directly. The answer to the first question is yes. The answer to the second question is that the petitions are receiving consideration but whether or not the action taken will be favourable depends upon the decision arrived at after consideration.

*CANADIAN COOPERATIVE WHEAT PRODUCERS, LIMITED—BANK LOANS

Mr. MERCIER (St. Henri):

1. Is the government aware that the Canadian banks have advanced, in loans or guarantees, the sum of $68,000,000 to the Canadian Co-Operative Wheat Producers, Limited?
2. Has the government, to date, guaranteed the banks interested in these loans in favour of wheat pools, for said amount of $68,000,000, totally or partially?
3. If partially, up to what amount?

This question, Mr. Speaker, was before the house on May 4, 1931, and was allowed to stand at that time on the suggestion of the right hon. the Prime Minister (Mr. Bennett) that the question should be modified to permit an answer being given. Will he suggest how this question could be modified in order to permit this information being given?

Mr. BENNETT: As the question now reads, the answer to the first part would be no. The answer to the second part would depend upon what portion of the first part it has reference to. No guarantee has been given for $68,000,000. An arrangement was made. At the moment I think the responsibility would be $2,000 or $3,000, provided the security upon which the advances by the banks are made is liquidated at reasonable prices. At present market prices there will be practically no liability.

*BEAUHARNOIS POWER DEVELOPMENT

Mr. GARDINER:

1. Has the program of construction provided for in condition No. 12 of the order in council No. P.C. 422 of March 8, 1929, been submitted and approved by the minister?
2. If so submitted and approved, will the government table a copy?
3. If not submitted and approved, when will the government require its submission?
4. What is the meaning and purpose of said condition No. 12?
5. What constitutes the "works" referred to in line 1 of condition No. 11 of said order in council?
6. What constitutes the "works" referred to in line 1 of condition No. 13 of said order in council?
7. What constitutes the "works" referred to in line 1 of condition No. 14 of the said order in council?
8. Have the engineer or engineers referred to in condition No. 14 of the said order in council been appointed by the government, if so, when and what are their names, what are their duties in respect to: (a) the canal; (b) works to be constructed in the St. Lawrence river?
9. Why were fixed spans permitted as set out in condition No. 10 of said order in council if the canal is to be used for navigation purposes?
10. (a) Has the province of Quebec executed and the Dominion government accepted the agreement referred to in condition No. 24; (b) if this agreement has been executed and accepted, will the government table a copy?
11. (a) Have the plan and detailed construction provided for in condition No. 11 of said order in council been submitted and approved of by the minister; (b) if so approved, will the government table a copy?
12. Will the government procure from the Beauharnois Power Corporation Limited (a Dominion company) and table the list of shareholders of said corporation?

Mr. BENNETT: I think it well to say to the hon. member for Acadia that during the week we shall endeavour to work out an answer to this question. Without giving offence, may I say that the departments do not undertake to construe the meaning to be given to the word "works." I think he will quite readily understand that the administrative side of government should not undertake to exercise the functions of the judicial branch, so we cannot answer those questions asking what meaning is put upon the word "works."

Mr. SPEAKER: Answered.

Mr. BENNETT: In part.

Mr. GARDINER: May I call your attention, Mr. Speaker, to the fact that you declared this question answered, but the Prime Minister answered only in regard to questions 5, 6 and 7. If you turn over the page, there are other questions having no relation to what the Prime Minister answered, and I ask that those be permitted to stand and be answered at some future time.

Mr. BENNETT: I said "in part." The hon. gentleman did not hear my observation.

Mr. SPEAKER: Question No. 4 answered in part and allowed to stand.

AUSTRALIAN TREATY

Mr. LAFLECHE:

1. Is the treaty between Canada and Australia still in force?
2. If so, when will it expire?

Mr. BENNETT:

1. Yes.
2. The Australian Trade Agreement Act, 1925, provides that the governor in council, upon giving six months' notice to the government of the Commonwealth of Australia of his intention so to do, may order and direct that the tariff concessions extended to Australia by that act shall cease and determine.

L'ASSOMPTION-MONTCALM TESTED AREA

Mr. SEGUIN:

1. Does the Department of Agriculture intend to establish a reserve zone against bovine tuberculosis, in the county of L'Assomption-Montcalm?

2. If so, when will said zone be established, and will it include the whole county?

Mr. WEIR (Melfort):

1. Yes.

2. The area will cover the whole county but the department is not yet in a position to state definitely when the test will commence.

MR. FORSYTH—NATIONAL REVENUE DEPARTMENT

Mr. DUGUAY:

1. Has Mr. Forsyth, of the collection branch of the National Revenue department, resigned?

2. If so, when, and who will replace him?

3. Was Mr. Forsyth a lawyer?

4. Do the duties of this position require some legal knowledge?

5. If there is a substitute to Mr. Forsyth, is he a lawyer, ex-service man, an employee of the department from some other branch?

Mr. CAHAN:

1. Yes.

2. April 14, 1931. A. A. McGrory.

3. No.

4. Yes.

5. Lawyer, ex-service man, employed in Income Tax division, Department of National Revenue.

QUEBEC FRUIT INSPECTOR

Mr. LAFLECHE:

What is the name of the fruit inspector for the province of Quebec, and does this man speak both languages?

Mr. WEIR (Melfort): There are a number of fruit inspectors employed in different parts of the province of Quebec, but Mr. R. E. Robinson is the district fruit and vegetable inspector for eastern Ontario and Quebec. He speaks both languages.

CANADIAN NATIONAL RAILWAYS—SALARIES OF OFFICIALS

Mr. CAMPBELL:

1. How many officials are there in the service of the Canadian National Railways drawing salaries of $15,000 per year and upwards?

2. What are their names, the position occupied and the salary of each?

3. What was the expense account of each, including the president, for the past year?

[Mr. Bennett.]

Mr. MANION:

1. 35.

2. The Canadian National railway management does not consider it in the interests of the railway to publish such information.

3. Answered by No. 2.

MR. RODOLPHE DUPUIS

Mr. DESROCHERS:

1. Was Rodolphe Dupuis appointed to the position of pensions advocate at Ottawa?

2. If so, when was he appointed?

3. By whom was he recommended?

4. Amongst his recommendations, were there any from ex-service men's associations?

5. What was Mr. Dupuis' military service in Canada, England and France?

6. For how long did he serve in each case, and in what capacity?

7. Does Mr. Dupuis' name appear in the Canadian army list?

8. Were there any other applicants for the position?

9. If so, were any of these applicants ex-service men with overseas military records?

Mr. MacLAREN:

1. Yes.

2. 1st March, 1931.

3. The Canadian Legion, the Hon. Arthur Sauvé, M.P., and Mr. Louis Coté, K.C.

4. Answered by No. 3.

5 and 6. Service in Canada only.

Non-permanent active militia service. Appointed Lieutenant, 70th Regiment, 9-5-15.

Reappointed reconstituted Regiment de Hull and finally retired 11-10-22.

Canadian expeditionary force service. Appointed 230th Battalion, C.E.F., 10-4-16.

Appointed technical lieutenant 7-5-17.

Unable to accept this appointment and struck off strength, having resigned, 8-5-17.

Attached 2nd Depot Battalion, Eastern Ontario Regiment, 17-5-18.

Unable to accept appointment, due to administration of Military Service Act. (Appointment cancelled).

7. No.

8. Yes.

9. Yes.

MR. J. A. HAMEL

Mr. BELEC:

1. Is J. A. Hamel, bailiff of Maniwaki, Quebec, in the employ of the Department of National Revenue?

2. If so, when was he appointed, by whom recommended and what salary does he receive?

3. Did the department have some trouble with him, and if so, was an inquiry held?

Mr. CAHAN:

1. Yes.

2. Mr. Hamel was appointed the 2nd May, 1930, as an acting customs excise enforcement officer, without salary, on the recom-

mendation of the late Mr. F. W. Cowan, Chief, Customs Excise Preventive service.

3. It was verbally intimated that a quantity of seized alcohol was being improperly disposed of, but upon investigation it was found that there were no good grounds for the statement. The officer was also instructed to ascertain if a seized Nash coupe had been sold to the highest tenderer. He found that it had. Proceeds were remitted to the department.

GASPE RAILWAY TERMINUS

Mr. MARCIL:

1. Has the Right Honourable Prime Minister and the Honourable Minister of Railways received a petition from the municipalities of the county of Bonaventure, protesting against the change of the terminus of the Gaspe railway from Matapedia, Quebec, to Campbellton, New Brunswick, and what action was taken, if any?

2. Did Sir Henry Thornton receive a visit from a deputation on this subject during the present week?

3. If so, who composed the deputation and what was the result of the interview?

Mr. MANION:

1. In consequence of petitions and correspondence received by the Prime Minister and the Minister of Railways and Canals, Sir Henry Thornton was requested to defer action until people of Matapedia had had opportunity to present their case to the management.

2. Yes.

3. Hon. Eugene Paquet, Bonaventure; Alex. Pratt, J. H. Adams, and George Lynch, Matapedia; J. A. H. Larue, Amqui; George M. Kempffer, New Carlisle; Thomas Maher, Quebec; John Ahearn, Montreal.

As a result of the interview the matter stands for further consideration.

BULL CLUB POLICY

Mr. McMILLAN (Huron):

1. How many animals have the Department of Agriculture bought and placed with farmers' clubs under the minister's new bull club policy between October 1, 1930, and April 1, 1931?

2. Who purchased these animals, and what prices were paid?

3. From whom were these animals purchased?

4. Were said animals purchased by private sale or under public auction?

5. What is the breed and ages of the animals purchased?

6. Give the constituency, names and addresses of the individuals or clubs with whom these animals have been placed.

7. Does this policy apply to all parts of Canada, if not, to what districts or sections in Canada does it apply?

Mr. WEIR (Melfort):

1. None.

2, 3, 4, 5, 6 and 7. See answer to No. 1.

SWINE BREEDING

Mr. McMILLAN (Huron):

1. How many sows have been bought, bred and sold to farmers under the minister's swine policy between October 1, 1930, and April 1, 1931?

2. Who were said sows purchased from?

3. What prices were paid?

4. What percentage of these sows bred and placed with farmers have proven to be pregnant?

5. To what sections of Canada does this swine policy apply?

Mr. WEIR (Melfort):

1. 1,275 sows.

2. Maritime provinces: Maritime Live Stock Marketing Board. Quebec: Canadian Co-operative Live Stock Producers Ltd.; Canada Packers Limited; Charles F. Mitchell; U. Lauzon; Maher & Roberts. Ontario: United Farmers of Ontario; Canada Packers Limited, Toronto; J. B. Shields, Toronto; G. & R. J. Cook, Toronto; Dunn & Levack, Toronto; Rice & Whaley, Toronto; Dumarts, Ltd., Kitchener; J. M. Schneider & Sons, Kitchener; Saskatchewan—Moose Jaw and Regina: Saskatchewan Co-operative Livestock Producers Ltd.; Swifts Limited; Live Stock Pool; L. Willows; Dewey Gardner. Prince Albert: Burns Limited, Milne; Saskatchewan Co-operative Livestock Producers Ltd. Saskatoon: Provincial government; Weiller & Williams; Claude Campbell Comm. Co Ltd. Melfort: A. Dobson; H. J. Robson; Saskatchewan Co-operative Livestock Producers Ltd. British Columbia and Alberta—Calgary: Adams, Wood & Weiller, Calgary; Alberta Co-operative Livestock Producers Ltd.; Parslow & Denoon; Burns & Company; Union Packing; Swift Canadian Company; J. Walls. Edmonton: Weiller & Williams Co. Ltd.; Claude Campbell Comm. Co. Ltd.; O. A. Brown; Alberta Co-operative Livestock Producers Ltd.

3. Market prices.

4. Estimated 90 per cent to 95 per cent.

5. This policy applies to all the provinces.

PEACE RIVER CENSUS OFFICIALS

Mr. BUCKLEY:

1. Who was appointed census commissioner or commissioners for the electoral division of Peace River?

2. By whom were they appointed?

3. What are their ages, occupation and residence?

4. What salary is paid?

5. What persons were appointed by them as census enumerators in each district or subdistrict of the said electoral district?

Mr. STEVENS:

1. Mr. R. C. Fitton for Peace River North and Mr. Alfred Koch for Peace River South.

2. By the Hon. the Minister of Trade and Commerce.

3. No information as to Mr. Fitton's age. Occupation: farm lands, real estate, notary public. Residence: Spirit River, Alberta. No information as to Mr. Koch's age. Occupation: barrister-solicitor. Residence: Edson, Alberta.

4. They receive an allowance of $600 each to cover organization expenses and for viseing of the returns made by the enumerators; checking them and forwarding to Ottawa; verification of enumerators' accounts and the general supervision of the census within the district over which they are appointed as commissioner the following rates are provided: 1 cent for each name on the "population" schedule; 3 cents for each "agricultural" schedule; 1 cent for each entry on the "animal and animal products, not on farm" schedule; 1 cent for each record of blind and deaf persons; 1 cent for each record of merchandising and service establishments.

5. No appointments have been made as yet.

QUESTION PASSED AS ORDER FOR RETURN

BRITISH COLUMBIA PUBLIC WORKS

Mr. MACKENZIE (Vancouver):

1. Are there employees being sent from outside of British Columbia to work on Dominion government work in British Columbia, by the national parks of Canada?
2. Will the government consider giving the preference for this work to those unemployed resident in British Columbia?
3. Will the government consider giving the preference to ex-service men on work on the Dominion government highway, known as the Big Bend road in British Columbia?
4. What opportunities will be given ex-service men to earn a livelihood on this Dominion government work, if any?

TARIFF BOARD

RESOLUTION TO PROVIDE FOR THE CONSTITUTION, FUNCTIONS, DUTIES AND SALARIES

On the notice of motion:

That it is expedient to bring in a measure for the appointment of a tariff board, to prescribe the constitution, functions and duties of the board, and to provide for the salaries to be paid the members, officers and employees of the board.

Right Hon. R. B. BENNETT (Prime Minister): The notice of motion standing in my name since May 6 with respect to the constitution of a tariff board, I desire now to move, seconded by Mr. Stevens. This resolution has been submitted to His Excellency the Governor General; it has been approved by him, and is recommended to the favourable consideration of the house. It provides merely for the constitution, functions and duties of a tariff board. On the second reading of the bill, an adequate explanation will be given.

Mr. LAPOINTE: Is there a bill coming?

Mr. BENNETT: Yes, the bill is ready.

Mr. SPEAKER: Is the motion for consideration to-morrow?

Mr. BENNETT: This notice has been standing on the order paper since the 6th May. Is it necessary to make a further motion that we should go into committee on another day? I have seen different practices in the house and a moment ago I was discussing the matter with the hon. member for South Wellington (Mr. Guthrie). As the matter stands, the notice has been on the order paper for eight days, and when it is said that consideration must be given on another day, it seems to me that the practice is certainly a waste of time.

Mr. LAPOINTE: I think we should go ahead.

Mr. BENNETT: I am only desirous that the practice should be settled, because clearly I could not give notice to-day for consideration to-morrow, for that would not be ample time; but when I have given eight days' notice on the order paper, it seems to me that to move now for consideration to-morrow, is only moving now what was done in writing on the 6th May. I mention this only for the purpose of having the practice cleared up.

Mr. DUFF: The question is one of assent.

Mr. BENNETT: It is a question only of practice.

Mr. SPEAKER: Notwithstanding the fact that the motion has been on the order paper since the 6th May, the actual notice of it is given to-day. Standing order No. 60 appears to govern the case. It reads:

If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned until such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

I think the resolution comes within that description.

Mr. BENNETT: If Your Honour thinks it comes within that description, well and good. My desire was only that the practice should be settled. It seems to be a needless

waste of public time to put upon the order paper a notice a week in advance and then move it. This is not public aid or supply; this is merely a public bill involving the expenditure of public money and it therefore must be preceded by a resolution. Whatever the practice is, I desire to have it settled, and that is the reason why I now bring the matter to the attention of the house.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I imagine there will be no objection to proceeding with the next stage to-day.

Mr. BENNETT: That is not the point.

Mr. MACKENZIE KING: I might point out to my right hon. friend that at any time since he put the notice on the order paper he might simply have said that to-morrow he would proceed with the resolution.

Mr. BENNETT: Quite so.

Mr. MACKENZIE KING: To preserve the rule is to the advantage of everyone because it ensures at least one day's consideration of an important matter in advance.

Mr. BENNETT: I have had in mind what the right hon. gentleman says, but as the custom of the house is, preceding adjournment, to ascertain the business to be taken up next day, I cannot see that the purpose that is apparently in mind is not served in the manner indicated. That is the only reason why I bring it to the attention of the house although it seems to me that some of these rules are archaic. I remember this matter came up once before and as it did so, I desire to have settled definitely what course the house wishes to pursue with respect to it. I shall be governed by the ruling of the Speaker in that regard, although I cannot think this is one of the cases that come within the rule at all, because it is not a matter of public aid. The Speaker, however, having so ruled, we shall take the matter up to-morrow.

Mr. MACKENZIE KING: But with the assent of the house—

Mr. BENNETT: I do not want to proceed in that way. I therefore move:

That the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to bring in a measure for the appointment of a tariff board, to prescribe the constitution, functions and duties of the board, and to provide for the salaries to be paid the members, officers and employees of the board.

Motion agreed to.

UNEMPLOYMENT RELIEF ACT

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I wish to ask the Acting Minister of Labour whether the local governments cooperating with the federal authority in the expenditure of money under the Unemployment Relief Act are required to make returns in detail of their expenditures? For instance, is the government of New Brunswick required to make a return in detail, submitting the pay sheets, with respect to work done under this act on roads and bridges?

Hon. W. A. GORDON (Minister of Immigration): The practice that has been followed where work is being done by the Dominion and the provinces is to have a statement from the province concerned, certified to by its provincial treasury and sworn to by its proper officers, stating in every instance that the amount certified to and sworn to by such declaration has been spent pursuant to the act and in accordance with the agreement. It has not been the practice to go into further detail, the department accepting such certification and proof as being correct and proper from each province.

Mr. VENIOT: There are no pay sheets submitted?

Mr. GORDON: No.

DOMINION CONVERSION LOAN

NO CHANGE TO BE MADE IN CLOSING DATE FOR APPLICATIONS

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): I think I should say to the house that in view of the fact that the response received to the invitation to exchange securities for the conversion loan of 1931 has for the first three days so greatly exceeded our expectations, and in view of the further fact that small holders throughout the country are just beginning to send in their applications, and cables are being received from Great Britain and other overseas countries where some of these securities are held, we have concluded that it would be only fair to give every person a reasonable opportunity to convert his bonds, and therefore the date named for the closing of the loan, the 23rd of May, will not at the present moment be changed.

OLD AGE PENSIONS

INQUIRY AS TO LEGISLATION DURING PRESENT SESSION

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): I desire to ask the Prime Minister a question, based on a speech delivered by Mr. Val Switzer, provincial organizer for the Conservative party in the province of Manitoba. Speaking at Dauphin on May 10, he is reported thus:

> With regard to the old age pension subject, Mr. Switzer said that the premier had not repudiated his election pledges, but that it was a question whether he would bring down the legislation at the present session or at a subsequent one.

The question I wish to ask the right hon. gentleman is whether he can inform the house whether the legislation will be brought down at this session or subsequently.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, in order that this house may preserve some semblance of dignity, may I point out that such a question as has just been put is wholly improper on the orders of the day. Had the hon. gentleman desired to ask the question that he did, it was wholly unnecessary for him to precede it with a statement from a newspaper as to what somebody else had said somewhere in Manitoba. The question will not be answered.

Mr. BEAUBIEN: I rise to a point of order, Mr. Speaker. I do not think the right hon. the Prime Minister has any right to accuse me of violating the rules of this house or lowering its dignity. There is no member whose conduct in this house has been more dignified than my own. I have my rights as a member representing a constituency in this house, and I say that the Prime Minister has no right to speak as he did.

Right Hon. W. L. MACKENZIE KING): (Leader of the Opposition): I would like to ask the Prime Minister, so that there may be no mistake about the form, is it the intention of the government to introduce any legislation this session with respect to old age pensions, and if so, what legislation?

Mr. BENNETT: That will be answered in due course.

NATIONAL REVENUE

INQUIRY RESPECTING APPOINTMENT OF CHIEF OF PREVENTIVE SERVICE

On the orders of the day:

Mr. PAUL MERCIER (St. Henri): May I ask the Acting Minister of National Revenue if the vacancy caused by the death of Mr. F. W. Cowan, chief of the preventive service, has been filled; and if not, when it will be filled?

Hon. C. H. CAHAN (Acting Minister of National Revenue): The hon. gentleman will have to allow that question to stand. I have no personal information with respect to the matter, but I shall make inquiries.

Mr. MERCIER (St. Henri): But you know that Mr. Cowan is dead?

Mr. CAHAN: Since I have been acting minister of that department I suppose I have one hundred or more things coming before me every day. I do not remember distinctly that particular matter of his replacement having been brought to my attention, but I shall make inquiries. In any case it is a matter with respect to which notice should be given, especially to an acting minister who has to make inquiry of his officials as to facts which are not within his personal knowledge.

INTERNATIONAL LABOUR CONFERENCE

INQUIRY AS TO PERSONNEL OF CANADIAN DELEGATION

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): May I ask the hon. minister who represents the Minister of Labour in this house who are the delegates and advisers who are going to represent Canada at the International Labour Congress to be held before the end of this month. If the hon. gentleman has not the information at hand, I should like to have an answer to-morrow.

Hon. W. A. GORDON (Minister of Immigration): I am not prepared to answer the question now, but I shall make inquiries and give an answer to-morrow.

ROYAL GRAIN COMMISSION

INQUIRY AS TO TABLING OF REPORT OF SIR JOSIAH STAMP

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): Some ten days ago I asked the Prime Minister when we might expect the tabling of the Stamp report. The Prime Minister replied on that occasion that it would be some ten days thence, but probably he would make a statement prior to that time. I wonder if he is now in a position to make that statement.

Right Hon. R. B. BENNETT (Prime Minister): The Stamp report will be tabled just as soon as a cable is received from Sir Josiah Stamp. I had prepared a precis of the report, but it was thought undesirable to present it to the house until Sir Josiah Stamp had himself seen the final proof of the report which he had completed before he left America.

SMITHFIELD BRIDGE

On the orders of the day:

Mr. W. A. FRASER (Northumberland): May I ask the Minister of Railways and Canals (Mr. Manion) if he is now in a position to inform me whether it is the intention of his department to replace the Smithfield bridge on the Murray canal?

Hon. R. J. MANION (Minister of Railways and Canals): I did look up that matter some time ago, and my recollection is that the engineers do not recommend that this bridge be replaced; I say that subject to correction. If the hon. member will put his question on the order paper, I shall be able to give him a definite answer.

RIVIERE DU LOUP STATION

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): May I answer a question that was asked by the hon. member for Témiscouata (Mr. Pouliot) a day or so ago with regard to the station at Riviere du Loup? He asked me to give, on the orders of the day, the dates of the agreements that had been made between the different departments and the Canadian Pacific and the Canadian National Railways as to the extra works which these railway companies were doing under the Unemployment Relief Act. I wish to say that the report on the Unemployment Relief Act was tabled six weeks ago and gives all those details. I mention that in order that the hon. member may have time to study it and have his material ready when next my estimates come up.

PEACE RIVER OUTLET

On the orders of the day:

Mr. OLOF HANSON (Skeena): I do not like to trouble the Minister of Railways and Canals (Mr. Manion) but I would like to ask if he has the report concerning the Peace River-Pacific outlet, and if so when it will be tabled.

Hon. R. J. MANION (Minister of Railways and Canals): The report for which my hon. friend has asked is of a provincial nature, and I do not know that I can obtain it. The provincial government has been discussing it. I suggest to the hon. member that he ask the provincial government to supply him with a copy. I might inform him that they have not supplied us with one.

Mr. BENNETT: They paid for it, not we.

INQUIRIES FOR RETURNS

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I do not wish to appear to be in a hurry, but five or six weeks ago I asked for certain returns. Probably it was longer ago than that. Up to the present time they have not been submitted. I have before me a list of the returns six in number to which I referred. We are going on with the estimates. The estimates to which these returns refer may be taken up any day and I will be deprived of the information I desire. The Postmaster General (Mr. Sauvé) is not in his seat, and for that reason I call the attention of the Prime Minister to these facts. The returns referred to are the following:

Dismissal of postmasters from September 1, 1930 to opening of house.

All papers connected with dismissal of postmaster at Lakeville, New Brunswick.

Papers, etc., connected with mail contract between Sonier office and Tracadie, New Brunswick.

All papers connected with contract, Hatfield rural route.

All correspondence touching payment of fish bounties in Gloucester county.

Correspondence relating to appointment of preventive officers at Campbellton, New Brunswick.

I do not wish to appear impatient but I would like to have the returns as soon as possible.

Right Hon. R. B. BENNETT (Prime Minister): I will see that the matter is brought to the attention of the proper minister, I think however, the period of time which has elapsed since the passing of the motions is somewhat shorter than my hon. friend has intimated.

Mr. VENIOT: No.

Mr. BENNETT: The list of dismissals of postmasters is very difficult to supply because of the fact that the character of the partisanship is becoming so much more apparent that the list changes every day in consequence of the additions which have to be made to it.

Mr. VENIOT: For the information of the Prime Minister may I add that I did not say—

Mr. BEAUBIEN: That is not very dignified.

Mr. VENIOT: For the information of the Prime Minister may I explain that he did not understand my request. I did not say that a period of six weeks had elapsed—

Mr. BENNETT: I did not say there was a period of six weeks.

Mr. VENIOT: —between the time the motion was passed and the present time.

Mr. BENNETT: I did not say anything about six weeks.

Mr. VENIOT: I said between the present and the time I made my application.

Mr. SPEAKER: The matter is not one for debate.

Mr. VENIOT: Surely—

Mr. SPEAKER: The matter has been called to the attention of the government, and further debate is not necessary.

Mr. VENIOT: But surely I am allowed to explain.

Mr. BEAUBIEN: But, Mr. Speaker, the Prime Minister gave an undignified answer.

Mr. SPEAKER: This matter does not require debate. The matter brought up by the hon. member is perfectly clear to the whole house.

Mr. VENIOT: But a mistake was made and a misunderstanding has arisen.

Mr. SPEAKER: I hesitate to call the hon. member to order, but I must remind him that at the present time he is out of order.

Mr. VENIOT: All right, Mr. Speaker, but I shall bring it up again.

DEPARTMENT OF FISHERIES

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): May I remind the Prime Minister that he was kind enough to promise to expedite the tabling of one or two small returns for which I asked some months ago.

Some hon. MEMBERS: Oh, oh.

Mr. NEILL: I think the Prime Minster did not hear me.

Right Hon. R. B. BENNETT (Prime Minister): Yes, I did.

Mr. NEILL: Some time ago the Prime Minister was kind enough to promise that he would expedite the tabling of some returns in connection with the Department of Fisheries.

Mr. LAPOINTE: The promise still stands.

Mr. BENNETT: My hon. friend understands that the minister has been ill, and as a result has been out of the city. I will look into the matter and see if I can obtain a report to-morrow.

RESTIGOUCHE RIVER BRIDGE

On the orders of the day:

Hon. CHARLES MARCIL (Bonaventure): The legislatures of New Brunswick and Quebec having agreed each to pay one third of the cost of the interprovincial bridge over the Restigouche river between the provinces of Quebec and New Brunswick, I would like to ask the Minister of Public Works (Mr. Stewart) if the matter has been called to his attention. Because of the fact that the matter is of an urgent nature I know the minister will give it his attention.

Hon. H. A. STEWART (Minister of Public Works): I am sorry I cannot to-day give my hon. friend the answer which he desires. However, I shall investigate the matter and be prepared to answer to-morrow.

CANADIAN HIGH COMMISSIONER

REPORT OF SPEECH DELIVERED BY HON. G. HOWARD FERGUSON AT LEEDS, ENGLAND

On the orders of the day:

Mr. S. W. JACOBS (Cartier): Mr. Speaker, I do not wish to appear to be, as the French say, trop exigeant in the matter of a question I asked some days ago. I would like to ask if the Prime Minister has received, since I brought the matter to the attention of the house, the official report of Hon. Mr. Ferguson's speech, made on April 28 at Leeds, and if so, will the Prime Minister lay it on the table of the house.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I have not received any such official report.

BUSINESS OF THE HOUSE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Last night at the adjournment the Prime Minister intimated that among other matters we would proceed to-day with the estimates. Would he inform the house what department will be considered?

Mr. BENNETT: Trade and Commerce, and then Railways.

Mr. MANION: No, Public Works.

Mr. BENNETT: Yes, Public Works.

Mr. LAPOINTE: Those are the only two departments to be taken up to-day?

Mr. BENNETT: Yes, Public Works and Railways.

EXCISE TAX ON CIGARETTES AND TOBACCO

Mr. E. J. GOTT (South Essex): I had intended asking a question of the Minister of National Revenue (Mr. Ryckman). With reference to a question asked by me and answered on May 4, by the Minister of Trade and Commerce, in answer to queries 3 and 4 I find the notation on page 1234 of Hansard that the questions—

—will be answered by the Department of National Revenue.

I wish to advise the Acting Minister of National Revenue that I have not as yet received the information.

SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

The Canada Grain Act, including management, operation, maintenance and equipment of elevators, administration of, $2,681,000.

Hon. H. H. STEVENS (Minister of Trade and Commerce): There was a question before the committee in regard to certain transactions by the board of grain supervisors, and by the wheat board, in the years 1917, 1918 and 1919. This question arose out of certain letters which passed between a gentleman named Whiteside and the minister of the day, Sir George Foster. As a matter of fact, the more one searches and looks into this matter at this late date, the more one is puzzled to know just why the matter has been stirred up in the way it has, because it must be clear to members of the committee that it is very difficult for the officers of the department, thirteen or fourteen years after the events have happened, and it having been assumed for the last ten years that the matter was closed and ended, to place their fingers on all the records, particularly when those records were very largely in the hands of the two boards.

However, I have here a statement regarding the board of grain supervisors, audited by George A. Touche & Company, which shows that the business of the board was very properly handled and all the funds accounted for. Such amount as may have been left, and the records of the board, were handed over to the wheat board which followed. Then in turn the wheat board completed its business in 1921 and there was printed and supplied by order of parliament in that year, although I have not the exact date, a complete report of the wheat board, with financial statement. This brought the matter to a finality, and showed a certain sum, approximately half a million dollars, left in the consolidated revenue fund. Under order in council the government which preceded this government paid out to the western provinces $560,000.

Mr. MOTHERWELL: And to the eastern provinces as well.

Mr. STEVENS: Yes, to all the provinces. I have the figures here. The order in council is P.C. 193, dated 7th February, 1925, and the moneys were paid out as follows:

Saskatchewan	$284,200
Manitoba	128,800
Alberta	112,000
Ontario	26,600
Quebec	6,440
British Columbia	1,960

This memorandum indicates that a further sum of $175,000 was sent to the Department of Finance and is still in hand, less a small amount which was deducted for certain expenses, leaving a net amount of $173,235.53. Very briefly that is the outcome of these transactions.

Mr. TOTZKE: Before the minister leaves those figures I should like to ask a question. He said there was some amount transferred by the board, which was in charge in 1917 and 1918, to the wheat board in 1919. Can he tell us how much that was?

Mr. STEVENS: There was remitted to the receiver general at that time $428,781.94. That was the cash in hand, but the records and books and the other paraphernalia were turned over to the wheat board.

Mr. TOTZKE: No money was turned over to the wheat board?

Mr. STEVENS: No. I notice there was a small item of about $500 paid to the Royal Bank of Canada at Winnipeg, which was a small amount held against some local account.

Mr. BROWN: So that $428,000 was actually the proceeds of the transactions that had been carried on with those two crops?

Mr. STEVENS: Yes.

Mr. VALLANCE: Then I should like to ask the minister, in view of the fact that $428,000 was turned over from the operations of the 1917-18 crop by the wheat supervisors, what was meant by the hon. member for South Winnipeg (Mr. Rogers) when he stated there was no profit made?

Mr. STEVENS: I think I can very easily explain that to my hon. friend. Certain very small charges were made by the board of grain supervisors for the handling and storage of the grain. They had a revenue, according to this statement, which arose from a small assessment on all grain which was exported, and which was used to cover their expenditures, amounting to $7,302,000. That was the revenue from the handling of 350,000,000 bushels of wheat. Then they had a domestic assessment of $3,017,420, or a total income of $10,320,161.06 under that head. This, of course, was spent in carrying charges for street wheat and for wheat held by or for flour mills. The amount expended in this way was $7,211,112.77. The Department of Agriculture seed grain purchasing committee received $146,000, and there were ordinary disbursements and expenses.

The administration expenses were very small. I commend these figures to the attention of the house, as they are about as good a guarantee as could be secured of the manner in which the business was done. Administration expenses amounted to $183,727.37. No salaries were paid to the members of the board, but wages were paid to employees, clerks and so on. The board secured their offices from the Winnipeg grain exchange, and paid nothing for rental as far as the head office was concerned. Travelling expenses amounted to about $25,000; there were rentals outside of head office; telephones and telegrams amounted to $6,000, and so on. A number of miscellaneous small expenses make a total of $183,000, so that is an indication of a very moderate expenditure in that regard. After all this work was done there remained the sum to which I have referred, which was handed to the receiver general.

Now I should like to make just a brief statement with regard to a report from Doctor Magill which we have succeeded in finding, made in March, 1920, with regard to the board of grain supervisors. Perhaps before I refer to that I should draw attention to a condition which obtained in 1916-17. In 1916 there was a large crop, and there was a considerable amount of tough grain which it was very difficult to market. I think I am right in saying it was the winter of 1916 and 1917. And when the overseas purchasing countries were drawing their usual purchases of high grade Nos. 1, 2 and 3, there was a shortage of these grades for their purposes. There was a tendency for the market to be cornered. But there was in Canada a very large quantity of this tough or off-grade grain. It was in connection with that particular work, I believe, that the hon. member for South Winnipeg, who was then a member of the government, rendered such excellent service while in the old country. I think it was largely through his efforts that satisfactory arrangements were made with the overseas purchasing countries to take this grain off our hands. I recall, as I believe he will bear me out, that some of the purchasers over there—and, mark you, at this time they were largely government purchasers, later on solely such—were afraid to risk the transportation of this damp or tough grain to the old country under war conditions, and naturally they were looking for the usual high grade wheat from Canada. After negotiations by the Canadian government they undertook to take this wheat off our hands, and they did take it at an excellent price to the producers.

Mr. MOTHERWELL: What was the price?

Mr. STEVENS: The price was around $2 a bushel.

Mr. MOTHERWELL: But what was the price paid by the purchasing commission on the other side? Was it not $2.21 plus cost of delivery in United Kingdom?

Mr. STEVENS: The prices varied. I have here a statement prepared by the bureau of statistics, showing the average price of wheat in Chicago and in Winnipeg. I shall give these statements in detail to Hansard, and in the meantime, if the committee so desires, I will quote a few figures. For No. 1 Manitoba northern the average price in 1917, Fort William and Port Arthur basis, was 220·5. In Chicago the average for that year was 2·278. In 1918 the average in Winnipeg was 222·1 and in Chicago 2·209. In 1919 the average in Winnipeg was 221·0 and in Chicago 2·35—2·39.

Mr. MOTHERWELL: That is 1918, is it not?

Mr. STEVENS: That is 1919.

Mr. MOTHERWELL: In 1919 it was under the old wheat board, you know.

Mr. STEVENS: Of course, it was a fixed price in both countries. These are the figures that have been given. In 1919 there was a free market in Chicago.

Mr. MOTHERWELL: And in Canada.

Mr. STEVENS: But in regard to this last figure it must be recalled that, as mentioned the other day, there was a second distribution which brought the Canadian price up to 2·63 or 2·64. That is about correct.

Mr. BROWN: The initial payment was 2·15 that year.

Mr. STEVENS: Yes. These are the official figures which I have given. I will hand the statements in to Hansard:

Monthly Prices of Wheat No. 1 Manitoba Northern, 1917-1919

	Wheat No. 1 Manitoba northern per bushel Fort William and Port Arthur basis (average of daily closing prices)		
	1917 cents	1918 cents	1919 cents
January	180.1	221.0	224.4
February	169.6	221.0	224.4
March	187.6	221.0	224.4
April	230.0	221.0	224.4
May	272.4	221.0	224.4
June	246.4	221.0	224.4
July	236.0	221.0	224.4
August	239.1	221.0	221.3
September	221.4	224.4	215.0
October	221.0	224.4	215.0
November	221.0	224.4	215.0
December	221.0	224.4	215.0
Average	220.5	222.1	221.0

Note.—The prices shown for September to December, 1919, are as fixed by the Canada Wheat Board. These prices were increased by the dividends paid on participation certificates, viz., 30 cents on July 15, 1920, and 18 cents on November 15, 1920, bringing the total price of No. 1 Northern to $2.63 per bushel.

Dominion Bureau of Statistics—Internal Trade Branch

Wholesale Prices of Wheat at Chicago, by Months, 1917-1919

1917	No. 2 Red Winter Cash
January	1.902
February	1.797
March	1.978
April	2.467
May	2.971
June	2.639
July	2.331
August	2.256
September	2.178
October	2.170
November	2.170
December	2.170
Average	2.278

1918	
January	2.170
February	2.170
March	2.170
April	2.170
May	2.170
June	2.170
July	2.247
August	2.233
September	2.236
October	2.235
November	2.238
December	2.309
Average	2.209

*1919	No. 2 Red Winter Cash
January	2.35 —2.40
February	2.29 —2.31
March	2.34 —2.40
April	2.54 —2.66
May	2.75 —2.80½
June	2.35 —2.37¾
July	2.25¼—2.27¾
August	2.23 —2.24
September	2.23 —2.24
October	2.23 —2.25
November	2.27 —2.31½
December	2.43¼—2.45
Average	2.35 —2.39

* Government basic prices for the year 1919 were as follows:

No. 2 red winter wheat—223c.

Buyers could pay higher prices than the government basic price if they so desired.

Dominion Bureau of Statistics—Internal Trade Branch

Average Farm Price of Wheat United States and Canada

	United States Cents	Canada Cents
1917	205.8	193.8
1918	206.3	201.8
1919	218.6	236.8

Official figures.

Mr. MOTHERWELL: The minister has given us everything except what we want. What we wish to know is how much wheat was sold those two years and what it brought in the British market. That is really the crux of the whole matter.

Mr. STEVENS: The amount sold was 350,000,000 bushels.

Mr. MOTHERWELL: That is about right, for the two years.

Mr. STEVENS: That is the amount that was sold. I can give only what we have from the board of grain supervisors. I have the report in detail, and therein the statement is made that they marketed:

> The balance of the wheat crop of 1916 and the whole of the wheat crops of 1917 and 1918, making a total of 350,000,000 bushels.

The question my hon. friend has asked as to the total amount received by the board of grain supervisors is one which unfortunately I am unable to answer. There is no record in my department in that regard. The board of grain supervisors did not make any profit out of the wheat. They handled the grain and assessed a small charge to cover expenses —that is to say, administrative and handling expenses. That statement I have under my hand and from it I have already quoted. It is audited by George A. Touche & Company, and that is all they handled, so far as I can

find. The settling of the purchases was made by the British government, through the Wheat Export Company, a public body. Settlement was made direct, through the usual channels, with the farmers here, who got the full amount, whatever it was, less the small assessment which was made. The assessed amount was the only sum handled by the board of grain supervisors. Does that clear the matter up?

Mr. MOTHERWELL: I am very sorry to say it does not. The government handled the farmers' grain in trust. It is true it was bought at a figure, but at the same time it was entrusted to the government to handle it and dispose of it to whatever body was purchasing wheat on the other side on behalf of the allies. And as was said the other day, we were quite satisfied to take a low price of $2.21 then because, if there was a residue, it was going to the benefit of the allies. But now there is a residue, in regard to which we desire to have a statement. True, it is not considerable, according to such records as we have so far seen; but it went into the federal treasury. Surely, with a large volume of produce like this, there must be some record. And as a matter of fact we have a record with respect to the volume; that is known through the bureau of statistics. But there must be some record also as to the amount of money realized for that grain. No one handling a commodity or a property in trust could be satisfied unless he furnished a record of the amount of money involved, and I do not think my hon. friend is himself satisfied with the report. There must be a report somewhere to correspond with that of 1919 which he has just read. After $428,000 has been handed over to the treasury, why should not the documents be available? There was an open market, and there was an advance payment made in 1919 of $2.15, the total being $2.63. I am speaking, of course, of the old wheat board; the board of grain supervisors was entirely another body. Now, I should like my hon. friend to give us the facts as to prices, together with any other documents bearing on the operations of the board of grain supervisors in 1917 and 1918. Why is there no record of that? It looks very mysterious to us.

Mr. STEVENS: My hon. friend is not doing justice either to himself or to myself.

Mr. MOTHERWELL: Possibly not.

Mr. STEVENS: I would ask the committee to note this. I have avoided anything in the nature of the tu quoque argument; I have not asked, "Why didn't you do it"? May I call attention to the fact that from the close of the operations of the wheat board in 1920—their report was presented in 1921—down to nine months ago, my hon. friend was a member of the government in office during that period—the government that had all these things in their custody.

Mr. MOTHERWELL: We had not any complaint except 1919.

Mr. STEVENS: The information in connection with forty-five cases was found to have been stored by the government of which my hon. friend was a member in a building down on Wellington street. As fas as I know, every scrap of paper which was used by the two boards is there. Surely it is not suggested that we, because of absolutely unsupported suggestions—

Mr. DONNELLY: They are not unsupported.

Mr. STEVENS: If my hon. friend will pardon me—unsupported suggestions should reopen this whole question and spend an unknown amount in the reexamination of these transactions. If any hon. member or other responsible person will come forward and say that of his own knowledge there are grounds for suspicion that everything is not correct, then parliament would be justified in considering the reopening of this question and having all the documents examined. The committee should not forget that I have here the report of the board of grain supervisors and the auditor's statement of the amount handled by the whole system, which was a system of control in all parts of the world. No dissatisfaction was expressed; as a matter of fact those few years were the most prosperous years we have ever experienced, if we eliminate the war period. It is now being suggested that without any evidence being produced this government, my department and my officials should be able to give a complete statement of the transactions of these two boards operating in western Canada with headquarters in Winnipeg. Let me read briefly from the report of the Canadian wheat board, season 1920.

Mr. DONNELLY: That is the wheat board of 1919?

Mr. STEVENS: That is the title upon this parliamentary document, printed by the king's printer by order of parliament. In this parliamentary record we have a history of the whole business, the transition from one to the other.

Mr. MOTHERWELL: I understand those are the records handed over by the board of grain supervisors to the wheat board of 1919.

Mr. STEVENS: It discusses the appointment of the wheat board. It refers to the two years previous wherein the transaction had been carried on under the control of the government and the board of grain supervisors. It discusses the armistice; it deals with the activities of the grain corporation in the United States under Mr. Julius Barnes, and it gives the plan of the organization of the board. There is one heading entitled "A Thorny Path", so I do not imagine it was all a bed of roses. It discusses the relations with the United States, seed grain, prospects for selling crops, the course of the world's demand, the decontrol of flour, the payment of dividends on participating certificates, the question of spread, branch offices of the board, and so on. At the end of the report is the financial statement which indicates the expenses of the board. This statement does not give all the figures, that is, the total amount received and paid out, but it does show that there was a balance of some $65,000,000, which amount was dispersed under regulations 119 and 127 at the rate of 48 cents per bushel on 135,000,000 bushels.

Mr. TOTZKE: That is the balance from the wheat board?

Mr. STEVENS: I am speaking of the wheat board.

Mr. VALLANCE: We are agreed on that. I would point out that the minister is bringing forth new evidence, and I would again submit that because of that new evidence this whole thing should be referred to the committee on agriculture. This matter could be cleared up more easily in that way. We do not desire to take up the time of the committee in discussing this matter.

Mr. SPENCE: Why does not the hon. member tell us what is in his mind?

Mr. DONNELLY: I will tell the hon. member in a moment.

Mr. VALLANCE: It seems to me it would be easier, both for the minister and for his department, to handle this matter in the way suggested. I cannot understand why the minister can produce a report submitted by the grain supervisors which gives the volume but does not give a financial statement. He has been able to obtain that report; possibly he could obtain the financial statement from the same source.

Mr. LOUCKS: Mr. Chairman, there seems to be a suspicion in western Canada that a certain fund was left over, and I would like to answer the hon. member for South Battleford (Mr. Vallance) in that regard. The farmers of western Canada individually, and not the government received that $2.21 per bushel. As was pointed out by the hon. member for South Winnipeg, each farmer received about $2.21 at his station.

Mr. MOTHERWELL: We all agree on that.

Mr. TOTZKE: The hon. member for South Winnipeg stated that the farmer got everything which was paid for the wheat.

Mr. STEVENS: So he did.

Mr. TOTZKE: Where did the surplus come from that is mentioned by the minister?

Mr. LOUCKS: With a volume running into hundreds of millions of bushels there will always be a surplus, and there was a surplus.

Mr. MOTHERWELL: We agree on that.

Mr. LOUCKS: The suspicion as outlined by Mr. Whiteside is that instead of the government selling this wheat at $2.21 less an expenditure for handling, it was sold at around $3 per bushel, which created a surplus of millions of dollars.

Mr. VALLANCE: The Hon. Sir George Foster stated:

> The wheat was sold during the season of 1917 and 1918, as purchasers were found and, of course, for different prices owing to changes in the world's market price.

Mr. LOUCKS: That was on the basis of $2.21 for No. 1 northern; the lower grades would be at a different price.

Mr. VALLANCE: It was on the basis of $2.21 for No. 1 northern.

Mr. LOUCKS: If Mr. Whiteside's contention was right we would have millions of dollars of a surplus, but I do not think any hon. member of the opposition suggests that any such surplus exists. I received for my 1917-18 crop that amount, less a small expenditure, and I think most hon. members will agree with the statement that the farmers of western Canada as a whole received that amount less a small expenditure for handling.

Mr. MOTHERWELL: The farmers got $2.63 in 1919 and the provinces received a

refund on a pro rata basis from the late government aggregating about half a million dollars, resulting from an operating surplus by the wheat board.

Mr. LOUCKS: That was in 1919, under the wheat board.

Mr. MOTHERWELL: Why should we not get it now for 1917 and 1918?

Mr. LOUCKS: Let us get this point clear. We cannot expect, as I have already indicated, to get now for 1917 and 1918 what was paid to us individually. When we marketed our wheat in 1917 and 1918, we got the whole proceeds of that crop, all we expected. Are hon. members not agreed on that?

Some hon. MEMBERS: No.

Mr. LOUCKS: I think we are agreed on it. I want to ask this question: If we did not get it, why should we wait twelve or thirteen years to raise the question?

Mr. MOTHERWELL: Because we did not know of it until last fall.

Mr. LOUCKS: Will hon. members not agree with me that a man named Whiteside sent out a suggestion, let me say—he had no proof—

Mr. YOUNG: He had a letter from the minister.

Mr. LOUCKS: —that we had millions and millions of dollars in the treasury from the fact that wheat was sold at a profit of fifty or sixty cents a bushel. That is the contention Mr. Whiteside made.

Mr. McINTOSH: That is the point we want to clear up.

Mr. LOUCKS: That is where the whole suspicion lies in western Canada. Do hon. members not agree with me the suspicion is, as I have said, that the government profiteered on us in 1917?

Mr. MOTHERWELL: We want the government to show they did not.

Mr. LOUCKS: Are we not agreed to take the explanation?

The CHAIRMAN (Mr. Hanson, York-Sunbury): Let us conduct business in an orderly fashion. One member at a time should address the chair.

Mr. LOUCKS: The government could not show in dollars the amount of money involved in the sale of millions and millions of bushels because it never went into the treasury at all; it went to the farmers in 1917 and 1918. The government never handled that money at all.

[Mr. Motherwell.]

Mr. YOUNG: To whom was it paid?

Mr. LOUCKS: The money was paid to the farmers of western Canada.

Mr. YOUNG: Through what body?

Mr. LOUCKS: Through the trade. Through whatever elevator the farmer delivered his wheat to. That is one way it was paid at that time.

Mr. YOUNG: Was it not paid through the board of grain supervisors?

Mr. LOUCKS: Not at all.

Mr. TOTZKE: What did the trade sell the wheat at?

Mr. LOUCKS: At $2.21, I understand. As far as the individual was concerned, the money was paid to him in western Canada through whatever elevator the wheat was delivered to. If the minister will forget about 1919 and the wheat board and clear up the 1917 and 1918 transactions, the latter is what the dispute is over; there is no dispute over the 1919 crop at all. It is in regard to 1917 and 1918 that this man Whiteside says those profits were made that we did not get.

Mr. GARLAND (Bow River): The problem resolves itself into this: the minister has before him and has already given to the house the total crop value for the years in question. He has also stated that the average price in those years was so much, but of course the minister knows very well the average price for a year does not in any way indicate the price received for the total crop; that would depend upon the quantity sold at various price levels throughout the year.

Mr. MOTHERWELL: And the grades.

Mr. GARLAND (Bow River): Yes; and in order to get an accurate picture of the situation, one ought to be able to place before the committee the total sum received from the wheat. We can then deduct what the farmers got for the wheat and deduce whether or not there was any profit. Until that is settled, this will remain a cloud over the administration of that time. I submit to the minister that after all the requests are very reasonable; this is not being made a party question at all. All that hon. gentlemen to my right have asked is that the matter be referred to the committee where witnesses may be examined, documents tabled and facts ascertained. I strongly support them in that request. Even my hon. friend who belongs to the minister's own party, and who has just concluded his remarks, considered it fair that we should clear this matter up now. I think it should go to the committee.

Mr. CAMPBELL: Would the minister clear up this point—it seems to me we are in doubt about it also? Did the board of grain supervisors actually handle the cash for the wheat, or was it handled through the trade for 1916, 1917 and 1918? Did they receive the money for the wheat and in turn pay it out to the farmers, or was the money handled by the trade, the board of grain supervisors merely supervising the matter and collecting certain handling fees?

Mr. STEVENS: As nearly as I can answer that question from the documents, the board of grain supervisors did not handle the money which was paid for the grain in 1917 and 1918. The board of grain supervisors, by a decision of the board, worked through the grain trade. The only sums that the board of grain supervisors handled were the sums to which I have referred and for which I hold in my hand an audited statement by George A. Touche & Company. The total amount handled by them was $10,478,000 for which they have accounted in every detail, with an audited statement from George A. Touche & Company Payments were made to the farmers by the trade through the usual channels. In his report Doctor Magill refers to that and says they had before them the option of two courses, if I am not mistaken, and that they adopted the course of working through the trade. Therefore, as far as I can see, the board did not directly handle the funds.

Mr. MOTHERWELL: They must have handled some, when they had nearly half a million in overages, elevator fees, storage.

Mr. STEVENS: That was an assessment. Let us get that point clear and then I think we can get nearer to a solution of the matter. That was a small assessment they made upon all the grain they handled. Out of the proceeds of that assessment, plus certain earnings they made by investing their surplus holdings in that regard in certain securities, they got a total revenue of $10,478,000. Then they disbursed that. Most of it was disbursed for carrying charges and then there were certain administrative charges and so forth. That left them with the small amount, comparatively speaking, of $428,781, which was turned over to the receiver general. If my hon. friend will permit me, may I attempt to make the point clear that out of the handling of that wheat for those two years, the board of grain supervisors had $428,781 left. It was that, plus a small surplus from the wheat board, which constituted what was remaining in the hands of the government. The government in 1925—and my hon. friend was a member of the then government—disbursed that to the provinces in part, leaving still in the treasury $173,000.

Mr. MOTHERWELL: For possible outstanding claims.

Mr. STEVENS: There were no other funds left with the government than this. The records are, I think, clear on that point, unless hon. gentlemen go to the extent, which I do not think is reasonable, of having a reaudit of all the transactions of the board of grain supervisors and the wheat board. That I think all would agree would be a very foolish thing in the face of the evidence that we have before us, which I think is quite convincing that the matter was handled properly and effectively.

Mr. BROWN: There is one point that does not seem quite clear. We are told that all the money that the board of grain supervisors handled was that ten million dollars, but it has not been shown to the house yet who handled the money that was received from the sale of those 350,000,000 bushels. Who received that money when that wheat was sold?

Mr. GARDINER: Who sold the wheat? That is the first question that should be answered.

The CHAIRMAN (Mr. Hanson, York-Sunbury): One at a time, please.

Mr. GARDINER: Then I will go on. Was the board of grain supervisors responsible for selling the wheat, and for making the bargains? They bought our wheat in those two years, 1917 and 1918.

Mr. STEVENS: I suppose if I read a few pages of this file I could make it clearer, but will hon. gentlemen take my word for it when I summarize in this way.

The board of grain supervisors, acting for the government of the day in Canada, in collaboration with the government of Great Britain and other countries purchasing through them, arranged for the sale of the wheat, but the actual transaction, that is, the passing of the money to the farmers from the wheat export board, which represented the British government in Canada and the United States, was done through the regular channels, that is, through the elevator companies, and so forth. In the meantime the trading in futures on the Winnipeg grain exchange was shut down. The elevator companies, however, were still operating in the normal way, and the report

shows that they cooperated very satisfactorily in this respect with the board of grain supervisors.

Let me repeat: The board of grain supervisors did not handle the money. They made the arrangements officially, representing the producers or vendors on this side, with the governments of the purchasing countries on the other side. The governments of the purchasing countries bought through the wheat exporting company, and they paid the farmers through the regular channels, namely, through the grain elevator companies and the grain handling companies of Canada. I wonder if that is clear.

Mr. BROWN: There is a point that is not clear yet. It is true that the farmer received that price of $2.21 a bushel. There was no question of our getting more out of it at that time, no thought of its being an initial or an interim payment. We received that money. Now somebody took charge of that wheat and sold it on the markets of the world, and the amount sold is stated at 350,000,000 bushels. We are told that that was handled by a grain exporting company. If they sold that wheat, according to the letter of Sir George Foster, at the market prices that prevailed from time to time, the proceeds from the sale of that wheat came to them, and no accounting of that money has since been given to anybody. It is true that we sold that wheat as farmers and took the price of $2.21 a bushel, and were given no reason to expect we were going to get any more, but we did think that when the government guaranteed us a price of $2.21, that wheat was going to the allies at that price, plus whatever handling expenses were necessary. That was our understanding of the matter. It now appears that that was not exactly what happened.

Mr. STEVENS: Oh yes.

Mr. BROWN: No, it is not, because according to the letter of Sir George Foster, the wheat was sold on the markets of the world at varying prices from time to time. There was an amount of 350,000,000 bushels sold, and we have no record of what was received for that wheat by the body that was handling the sale of it for the farmers of Canada.

Mr. STEVENS: I think that we are getting nearer to an understanding. My hon. friend has made one mistake. He said that the board of grain supervisors undertook to sell the wheat.

Mr. BROWN: No. I accept the minister's statement as to that.

[Mr. Stevens.]

Mr. STEVENS: My hon. friend used that phrase, and I think that is where confusion is being caused in the minds of some. Let me read an extract from the report of Dr. Magill, which I think will at least assist in clearing up that point. He says:

> For the crop year of 1917 there was no difficulty in this respect. The allies needed the whole exportable surplus wheat of Canada. They were willing to buy the whole surplus at the price fixed—

Which was $2.21, I think.

> —and they gave a guarantee to that effect. In this respect wheat was in a different position from coarse grains.

That is 1917. Let us stop there for a moment. The allies, all of them, I imagine, represented through the wheat exporting company, undertook to take all our wheat and to pay a fixed price. Now what was the duty of Canada? One only, and that was to provide the mechanical means of getting that wheat to the allies. What did we do in that respect? We used all the existing machinery; physically, the elevators; from the financial point of view, the banks and the grain companies. The grain companies handled it just the same as they had done in any other year, but instead of going to the farmers in various localities and offering them a price, they paid a fixed price to all and that was the end of it, and the farmer got the full amount. The money was paid to him as he delivered his wheat at the station or at the car. That ended the transaction so far as Canada was concerned. The board of grain supervisors never touched the money. I again quote from the report of Dr. Magill:

> It was different with the crop of 1918. No guarantee was obtained from the representatives of the British royal commission with regard to the surplus of the crop of 1918, and when the armistice was signed there was considerable difficulty in selling the balance of wheat still remaining in Canada. Having, however, fixed a price for the wheat of 1918, and having arranged for the purchase of wheat from the farmer by the trade on that basis, a guarantee was necessary and it was given by the Dominion government.

That was in the year 1918. That guarantee was given in the absence of a guarantee by the British or allied governments, or the wheat exporting company. The Canadian government guaranteed that that price would be continued through the season to the farmer, and that was done. The report continues:

> Fortunately the allied countries needed the wheat, and in the end the balance of the crop of 1918 was sold at the fixed price.

That was the end of the activities of the Canadian government through the board of grain supervisors, so far as those two years are concerned. If there is any clearer way in which I can give it, I shall be glad to do so.

Mr. BROWN: What the minister has said was done, is exactly what we thought was being done; I say that frankly. But it does not seem to harmonize with the statements upon which Mr. Whiteside acted. He understood from Sir George Foster that the wheat was sold at varying prices from time to time. There is that conflict of statement.

Mr. STEVENS: Suppose we look at Mr. Whiteside's letter again.

Mr. BROWN: So far as Mr. Whiteside personally is concerned, I never heard of him till I got down here at the beginning of the session.

Mr. STEVENS: I do not think my hon. friends really wish to embarrass the government in this matter.

Mr. BROWN: No, we want to get the facts; that is all.

Mr. STEVENS: May I ask them in all fairness this question? I do not wish to reflect on Mr. Whiteside at all. He is a citizen of this country and, as Sir George Foster frequently states in his painstaking reply, he takes him to be an honest citizen looking for information. Sir George Foster, I repeat, painstakingly answered him, and anyone who peruses these letters will find the complete answer in the letters themselves, I am sure, because Mr. Whiteside deals with nothing but rumours or conjectures that are in his own mind.

Mr. MOTHERWELL: No, no.

Mr. STEVENS: Yes.

Mr. MOTHERWELL: It is based upon Sir George's own letter.

Mr. STEVENS: No, no.

Mr. MOTHERWELL: Yes.

Mr. VALLANCE: Let me read the quotation.

The CHAIRMAN: The minister is making a statement, and he should have a chance to finish it.

Mr. STEVENS: Will the hon. member give me the date of the—

Mr. VALLANCE: The minister will find the extract from the letter on page 1525 of Hansard.

Mr. STEVENS: That is in Hansard.

Mr. VALLANCE: It is Sir George's own statement.

Mr. STEVENS: What is the date?

Mr. VALLANCE: January 27, 1920. It was not ten or twelve years after. The letter states:

> The wheat was sold during the season of 1917 and 1918, as purchasers were found and, of course, for different prices owing to changes in the world's market price.

Sir George Foster, the then Minister of Trade and Commerce, must have had available all the information that the minister has to-day. He makes that statement emphatically, on which Whiteside bases his whole argument.

Mr. STEVENS: I cannot find that letter on this file.

Mr. BROWN: It is the letter which has been read by the hon. member for South Battleford (Mr. Vallance) that has led to all the confusion.

Mr. MacMILLAN (Saskatoon): Anyone who knows of Mr. Whiteside knows that he is an authority on most subjects. If my memory serves me correctly this very subject was in the press of Saskatoon in the year 1920, 1921 or 1922. At that time hon. gentlemen opposite had an opportunity to go into the matter; they did not need to leave it until 1931.

Mr. BROWN: I want to protest against the doctrine which has been promulgated again and again in the house this session. It seems to be the opinion of hon. members opposite that because certain reforms were not enacted by the previous government we have no right at this time to advocate reform. So far as Mr. Whiteside is concerned, may I say I never heard of the gentleman until the beginning of this session. We are getting tired of the statements made by the Prime Minister and by the hon. member for Wetaskiwin and all—

The CHAIRMAN (Mr. Hanson, York-Sunbury): Order, please.

Mr. BROWN: —on this subject generally.

The CHAIRMAN: The hon. member must confine himself to the item under discussion.

An hon. MEMBER: The matter is under discussion.

Mr. BROWN: I think my hon. friend will get the meaning of what I have said.

Mr. MOTHERWELL: Pardon me, but that is not exactly the point either. My hon. friend will excuse me for saying so, but no

complaint came before the previous government regarding the years 1917 and 1918. If the files show the contrary, let them be produced. We dealt only with complaints concerning 1919 overages, and that was settled by sending the money back to the provinces on a pro rata basis. What is the use of asking why we did not cure all the difficulties in 1917 and 1918 when as a matter of fact they never were brought before us? If any hon. member can show where it was brought to the attention of the previous government why does he not come across with the information now, instead of harking backwards and forwards. We did not settle the matter because there was no complaint made about it.

An hon. MEMBER: Oh yes, there was.

Mr. MOTHERWELL: Why is it not settled now? Why do not hon. members opposite prove that it was placed before the late government? No protest was placed before us regarding 1917 or 1918. I want to point out another assurance Sir George Foster gave us. Replying to Mr. Whiteside he stated that if after the 1919 transactions under the wheat board were cleaned up there were any overages, they would be sent back to the farmers. Is that not right?

Mr. VALLANCE: Yes, that is right.

Mr. MOTHERWELL: But was it? It was not Sir George Foster's fault if they were not sent back, I admit.

Mr. STEVENS: Will my hon. friend—

Mr. MOTHERWELL: Just a minute. A new government took office, and that new government, with Mr. Meighen at its head, seeing that the previous overages of 1917 and 1918 went back into the treasury, did the same in 1919. That action was contrary to the promise made by Sir George Foster. I am not holding Sir George Foster responsible, however; he had nothing to do with the 1919 overages when the time came for disposition. Those overages were put back into the treasury of Canada as they had been in the years 1917 and 1918. If hon. members opposite want to know, they may dig up the information and see for themselves.

Mr. BROWN: I am not criticizing the present government—

Mr. VALLANCE: And neither am I.

Mr. BROWN: No, we do not intend to criticize the present government. However, a situation has been reported, and we as representatives of the farmers want to get at the facts.

[Mr. Motherwell.]

Mr. MOTHERWELL: Even if it involves only $428,000.

Mr. BROWN: If I can go back to my constituency and say there is nothing in these rumours, I am content to do so. The minister must understand we are not criticizing him or any member of the government. He does not need the hon. member for Saskatoon (Mr. MacMillan) to come to his defence.

Mr. STEVENS: I should like at this time to deal with the point raised by my hon. friend from South Battleford. My hon. friend has inferred—and I want to be as charitable as I can—that certain sums of money were held back and not distributed. I have told the house that those sums amounted to approximately half a million dollars. Why were they not sent back? I ask every sensible member in this house this question. How could half a million dollars be distributed among tens of thousands of farmers whose interests would be measured by the quantity of wheat they sold? What was done? There was about $60,000,000 over, and the wheat board distributed that $60,000,000 or $65,000,000 pro rata according to legitimate claims.

Mr. DONNELLY: That is for the 1919 crop.

Mr. STEVENS: That is what my hon. friend is speaking about. I think we had better clean these matters up as we go along. The hon. member for Melville (Mr. Motherwell), the ex-Minister of Agriculture, has referred to a letter from Sir George Foster in which it was intimated that Mr. Whiteside has been assured of certain things. I will read the clause to which my hon. friend has referred:

> Now as to the year just passed, 1919, the Canadian wheat board was established with the same interests represented thereon. This board also is in the main giving its services to the country freely and without pay. Of course, clerks, etc., and managers have to be paid for the work they do, but that has to be done whether the marketing is done by the government or private traders, as you quite well understand. The farmers receive a stated amount as a first payment upon their wheat. This, of course, they receive whether the market price goes up or goes down. As in the case of the two preceding years the government, if the price goes down, will be liable for the deficit. If the price maintains its level or advances, the government nor any member thereof receive nothing of that amount.

Then, this is the part to which my hon. friend referred:

> After the expenses of marketing are paid, if there is any surplus, as I believe there will be, this is divided amongst the farmers who were the original sellers of the grain. That is

under the arrangement, the farmers get all that the world's market price makes possible. He gets a first payment on his wheat on the basis of $2.15 No. 1 northern and gets his proportion of the surplus which may be left at the end of the transaction.

Mr. MOTHERWELL: That is not the reference I made. That refers to the years 1917 and 1918.

Mr. VALLANCE: No, that is 1919.

Mr. STEVENS: That is in regard to 1919, and it is a quotation from Sir George Foster's letter in which he gave the assurance to Mr. Whiteside.

Mr. VALLANCE: Yes.

Mr. STEVENS: Let us clear the matter up. Did the wheat board and the government discharge that obligation? Yes, certainly they did.

Mr. MOTHERWELL: There was still an overage of over half a million dollars and that was put into the treasury.

Mr. STEVENS: I am trying to get the matter down to a narrow point.

Mr. MOTHERWELL: My hon. friend is pinning himself down.

Mr. STEVENS: Usually my hon. friend from Melville is not so easily riled.

Mr. MOTHERWELL: Well, I try to be fair.

Mr. STEVENS: My hon. friend says there was still approximately half a million dollars left. We will agree to that.

Mr. MOTHERWELL: Yes.

Mr. STEVENS: The question narrows down to what was done with it; was it properly handled.

Mr. MOTHERWELL: Yes—was'nt it?

Mr. STEVENS: I have an order in council in my hand passed in the year 1925.

An hon. MEMBER: There is no dispute about that, surely. We are satisfied with that.

Mr. STEVENS: If the committee is content that in so far as that surplus is concerned it was properly handled we will leave that matter alone.

Mr. MOTHERWELL: Yes, we have been pleading for that for two nights. Forget 1919.

Mr. DONNELLY: My hon. friend says that $400,000 was put into the general revenue and was not disturbed; that is what the hon. member for Melville refers to.

Mr. STEVENS: The amount of $428,000 was sent to the receiver general and my opinion is that it formed part of the total which was disbursed in 1926.

Mr. DONNELLY: That is for the year 1919.

Mr. VALLANCE: Might I ask—

Mr. STEVENS: Now, let us have it right. My deputy is unable to advise me whether or not that was included. However, for the sake of argument, or clarity, let us assume that it was not included in the total amount. Let us understand that it was still in the hands of the receiver general. I must make that answer subject to correction, because—

Mr. BROWN: It would be very interesting to have the facts.

Mr. STEVENS: —because my conviction is that it is part of the total which ultimately was distributed to the provinces and of which $173,000 still remains. I confess I do not know whether it was included or not.

Mr. YOUNG: I understand that a bargain was made with the allied governments that they were to have our wheat on a basis of $2.21 No. 1 northern, plus cost of handling.

Mr. VALLANCE: Yes.

Mr. YOUNG: That the farmer was to receive $2.21; that an assessment was made of so much per bushel to cover the cost of handling, which was paid by the allied governments, that this surplus of $428,000 is the residue of that assessment. Therefore it would be my opinion that this $428,000 does not belong to us at all but belongs to the allied governments.

Mr. VALLANCE: I am afraid I cannot agree with the hon. member for Weyburn. I think when Hansard is read to-morrow it will be found that the minister did read the statement that the $428,781 was handed over to the old wheat board. If that is so, the 1919 wheat board had a surplus of only about $200, because they had less than half a million left after their operations in 1919. When the minister gave the figures I understood him to say that the wheat board received $428,781, so they must have showed a surplus of less than $300.

Mr. STEVENS: I think we can clear up that point. I said that when the wheat board was organized in 1919 it took over the mechanism of the old board, largely the staff, office equipment and that sort of thing. It did not take over the $428,781; that was paid to the receiver general. I hope we have that clear.

Mr. DONNELLY: What became of it?

Mr. STEWART (Edmonton): I have been listening with a good deal of interest to the explanation of the minister. He has very clearly explained the transactions of 1917, which undoubtedly covered 1916 as well, but where did the $428,000 come from? If I understood his explanation, there was no surplus from the 1917 transaction, so the surplus must have come about in 1918.

Mr. STEVENS: I think my hon. friend was not in when that part of the discussion occurred. The $428,781 is a balance which was left over, not from the purchase or sale of wheat at all but from a fund which was set up by the board of grain supervisors through an assessment on all the wheat handled. The total amount of that fund was $10,478,000, which was disbursed in carrying charges, administration and so on. After their thirty-two months of administration they had left this sum of $428,781.

Mr. STEWART (Edmonton): Which covers the whole thirty-two months?

Mr. STEVENS: Yes.

Mr. CARMICHAEL: There is one point on which I am not quite clear. I understand that 350,000,000 bushels of wheat were handled, and according to the hon. member for South Winnipeg the British government agreed to buy that wheat at $2.21 per bushel. The question in my mind is this: Not all of that wheat was required by Great Britain for her own use; doubtless part of it was turned over to France and perhaps to Italy and other countries. Did those other countries pay more than $2.21 for their part of this 350,000,000 bushels? If they did pay more, does the minister know just what was paid?

Mr. STEVENS: I think no one in this country could answer that question categorically, but the evidence is all against any profit being made in that transaction, because the allies acted together. We have it in the record that the board of grain supervisors were acting with the allies, and Doctor Magill refers to it in that sense. I believe I am perfectly safe in saying that whatever price was paid by Great Britain was the price paid by Italy or France or whoever got a share of that wheat. I think there is no question of that.

Now we may be able to clear up this point of the half million dollars. We know that the board of grain supervisors placed in the hands of the receiver general the sum of $428,781 from the transactions of 1917-18. In 1919, the year the wheat board was in operation, the following resolution was adopted unanimously at a general meeting of that board held on the 11th of August:

Whereas the board's financial statement shows a surplus of $569,016.13;

Resolved that a cheque be issued for the sum of $560,000 in favour of the Receiver General, to be forwarded through Sir George Foster, Minister of Trade and Commerce.

And be it further resolved that the Canadian wheat board, in general meeting assembled, strongly recommends to the Dominion government that the above amount be distributed to the provincial governments pro rata, on the basis of the quantity of wheat delivered by the producers in each of the said provinces to the board, such moneys to be used for the immediate relief of distressed farmers in the western provinces.

In 1925 the government of the day distributed this amount pro rata to the provinces, as indicated.

Mr. BOTHWELL: What was the date of that resolution?

Mr. STEVENS: August 11, 1921.

Mr. MOTHERWELL: The government of that day did not distribute the money; that was done by the following government. The matter was not brought to the attention of the following government for quite a long time.

Mr. STEVENS: No one is quibbling about that. The general elections came on shortly after this resolution was passed; our party went out of power and hon. members opposite came in.

Mr. MOTHERWELL: A casual reader would think we were six years in carrying out the recommendation of the board.

Mr. STEVENS: The facts speak for themselves, and I have the order in council here if it is of interest.

Mr. TOTZKE: If we admit, as I think we all can admit, that the government made no money out of these transactions of 1917 and 1918, we must remember the statement made by Sir George Foster in his letter, in which he says:

I do not know whether or not you will take my word for it, but whether you do or not, I can assure you it would have been impossible for a member of the government or the government itself to have appropriated a single dollar of the proceeds of the wheat sales of 1917 and 1918 to their own purposes.

What is not clear to me is this. The minister says the British government bought wheat from the Canadian farmers. Now, the Canadian farmer was paid on the basis of $2.21 per bushel, plus handling charges. Can my hon. friend assure us that that was the

price at which the allied governments bought our wheat? Because, further on in the letter, Sir George Foster states:

The wheat was sold during the season of 1917 and 1918 as purchasers were found and, of course, for different prices, owing to changes in the world's market price.

There is the difficulty with us. Did the allied government get the Canadian wheat at the price at which the Canadian farmer sold it, or did someone else make an extra profit?

Mr. STEVENS: The excerpt read from Sir George's letter—

Mr. VALLANCE: Of January 27, 1920.

Mr. STEVENS: —was correctly quoted. The facts disclosed in the official report are those I read a moment ago. I fancy it would be more profitable at the moment to take the official report rather than an extract from a letter. I should not wish to reflect upon my venerable predecessor,—

Mr. VALLANCE: We have not done so either.

Mr. STEVENS: —but he was dictating a letter to an individual and might possibly have been slightly in error. But here are the facts as disclosed by the chairman of the board. It might be profitable to read this again. For the crop of 1917 there was no difficulty.

The allies needed the whole exportable surplus wheat of Canada. They were willing to buy the whole surplus at the price fixed, and they gave a guarantee to that effect.

That is as regards 1917. I wonder whether we can close the book there, so far as that year is concerned.

Mr. MOTHERWELL: Yes, surely; it was never open.

Mr. VALLANCE: I should like the hon. member for South Winnipeg to correct me if I am wrong in the statement I am about to make regarding what he said the other night, that when they took over the residue of the 1916 crop they sold it at $3 a bushel. Was it included in the 1917 sales?

Mr. ROGERS: No.

Mr. VALLANCE: Then we are now dealing with 1918?

Mr. STEVENS: Yes. To proceed:

It was different with the crop of 1918. No guarantee was obtained from the representatives of the British royal commission with regard to the surplus of the crop of 1918, and when the armistice was signed there was considerable difficulty in selling the balance of wheat still remaining in Canada.

I pause to point out the harmony between that statement and Sir George's. But the following words will clear the situation.

Having, however, fixed a price for the wheat of 1918, and having arranged for the purchase of wheat from the farmer by the trade on that basis, a guarantee was necessary and it was given by the Dominion government.

Now then, the British government, or the allies, in 1918 did not give a guaranteed price. As Sir George Foster stated, there was a variation in prices. But the Dominion government guaranteed the price. The reason for this was that there was an expectation on the part of the allies that they would not require the wheat, but that expectation was not realized. The report now goes on:

Fortunately the allied countries needed the wheat, and in the end the balance of the crop of 1918 was sold at the fixed price.

I think we have pretty well cleaned up the whole question.

Mr. TOTZKE: Is it a fact that they sold all the crop of 1918 at a fixed price?

Mr. STEVENS: Yes.

Mr. TOTZKE: I did not gather that.

Mr. STEVENS: The report says:

Fortunately the allied countries needed the wheat, and in the end the balance of the crop of 1918 was sold at the fixed price.

Mr. VALLANCE: I understand the minister to say that the Dominion government guaranteed a portion of the crop before the allies realized that they needed the rest of the crop that was still there. So that if there is any wheat over it must be that portion of the crop which the then government sold and guaranteed.

Mr. STEVENS: Let me quote the statement in its entirety. This clause was not written in the light of Mr. Whiteside's ideas. It was written as a formal report and should be received in that sense and given due weight. Here is the statement.

No guarantee was obtained from the representatives of the British royal commission with regard to the surplus of the crop of 1918, and when the armistice was signed there was considerable difficulty in selling the balance of wheat still remaining in Canada. Having, however, fixed a price for the wheat of 1918, and having arranged for the purchase of wheat from the farmer by the trade on that basis, a guarantee was necessary and it was given by the Dominion government. Fortunately the allied countries needed the wheat, and in the end the balance of the crop of 1918 was sold at the fixed price.

Mr. YOUNG: To the allies?

Mr. STEVENS: Yes.

Mr. YOUNG: They took it all?

Mr. STEVENS: Yes.

Mr. TOTZKE: But prior to the disposal of the balance of the crop, what price were the allies paying?

Mr. STEVENS: It is a question of the interpretation of language. In this clause, undoubtedly, Dr. Magill, when he refers to selling the balance of wheat—that is, with respect to the surplus of the crop of 1918—means the exportable surplus. I do not think there is any question of that. The words,

and in the end the balance of the crop of 1918 was sold at the fixed price,

have reference to the exportable surplus of the crop.

Mr. VALLANCE: He speaks of the balance of the crop. There must have been a portion of the crop which was sold not at that fixed price, and the government either made money, broken even, or lost money. Now, that is what we want to know.

Mr. STEVENS: I can assure the hon. gentleman—

Mr. VALLANCE: The government gave a guarantee.

Mr. STEVENS: —that neither the government nor the board of grain supervisors made money out of the transaction.

Mr. TOTZKE: Can the minister assure us that no one else made money?

Mr. STEVENS: Absolutely. Of course, if my hon. friend suggests that there was some dishonesty here and there, I have nothing to say. But the evidence from every quarter is that the business was carried out in the most exemplary manner. It might be just as well to put on the record the personnel of the board of grain supervisors, whose report, I submit, ought to receive weight. These gentlemen were:

Robert Magill, of Winnipeg, Manitoba.
H. W. Wood, of Carstairs, Alberta.
Samuel K. Rathwell, of Moose Jaw, Saskatchewan.
Thomas A. Crerar, of Winnipeg, Manitoba.
William L. Best, of Ottawa, Ontario.
John Charles Gage, of Winnipeg, Manitoba.
William R. Bawlf, of Winnipeg, Manitoba.
William A. Matheson, of Winnipeg, Manitoba.
Lionel Clarke, of Toronto, Ontario.
Joseph Ainey, of Montreal, Quebec; and
James Stewart, of Winnipeg, Manitoba.

Those are the gentlemen comprising the board of grain supervisors. And here is the order of the board fixing the price of wheat in 1918—the order which my hon. friend enquired about a moment ago:

[Mr. Stevens.]

It is hereby ordered by the board of grain supervisors of Canada:

1. That the price of wheat from the 12th September, 1917, until the 31st August, 1918, inclusive, shall be—

No. 1 hard	$2 21
No. 1 Manitoba northern	2 21
No. 2 Manitoba northern	2 18
No. 3 Manitoba northern	2 15
No. 1 Alberta red winter	2 21
No. 2 Alberta red winter	2 18
No. 3 Alberta red winter	2 15

These prices are basis in store public terminal elevators at Fort William and Port Arthur.

Price Out Of Private Elevators

2. That on wheat loaded or shipped out of elevators licensed as private, hospital or mixing elevators the above prices shall be maximum prices, and that the minimum for such wheat shall not be in excess of 4 cents per bushel less than the maximum, and that upon all such wheat the buyer shall pay the jobbing charges.

Diversion Privilege—Interior Western Flour Mills

3. That flour millers whose mills are located west of Fort William and Port Arthur may pay a maximum of one cent per bushel in excess of the above fixed prices.

4. That the above prices have now legal authority and any deviations from them will be regarded and treated as violation of the orders of the board of grain supervisors for Canada.

(Sgd.) Robert Magill,
Chairman.

(Sgd.) A. R. Macdonald,
Secretary.

Mr. TOTZKE: I do not wish to convey the impression that I doubted the word of any of these gentlemen who formed the board of grain supervisors, but in view of the statement made in Sir George Foster's letter I am not satisfied that the farmer in Canada received the price paid for wheat by the allied governments. Can the minister assure us that a profit was not made, say by the grain companies?

Mr. STEVENS: No, no profits were made by the grain companies. I am confident I can state quite definitely that neither the grain companies, on the one hand, nor the representatives of the allies on the other, profited out of the handling of this wheat.

Mr. DONNELLY: What was the date of the order in council authorizing the formation of the board of grain supervisors?

Mr. STEVENS: Monday, June 11, 1917.

Mr. DONNELLY: Was the board to be formed immediately or at some fixed date in the future?

Mr. STEVENS: I think it was formed immediately. The order in council was dated June 11, and on July 20 we have order No. 1 of the board.

Mr. DONNELLY: It was in effect at that time?

Mr. STEVENS: I presume it went into effect immediately upon the ratification of the order in council. Order No. 1, dated July 20, 1917, headed "Wheat Price—Maximum—1916 crop," reads as follows:

It is hereby ordered by the board of grain supervisors for Canada that so far as the balance of the present crop is concerned and until further notice, the maximum price of wheat, basis one northern in store, Fort William, shall not exceed $2.40 per bushel, effective the first August, 1917, inclusive from 9.30 a.m. o'clock.

Mr. MOTHERWELL: That was the price.

Mr. STEVENS: That was signed by Robert Magill, chairman, and A. R. Macdonald, secretary.

Mr. YOUNG: Is that the wheat which was sold to the allies at $3 per bushel, as stated by the hon. member for South Winnipeg?

Mr. STEVENS: The hon. member had reference to the crop year of 1916, which was prior to these transactions.

Mr. BROWN: Those who are not interested in wheat sometimes think that the farmers of western Canada were given an extra deal in that price fixing, but the committee should understand that the price fixed was lower than that prevailing for some time previously on the open markets.

Mr. MOTHERWELL: It was $2.40.

Mr. BROWN: For the 1916 crop.

Mr. ROGERS: Oh, no, the hon. member is mistaken.

Mr. STEVENS: My hon. friend is referring to the order in 1917?

Mr. BROWN: Yes.

Mr. STEVENS: If the hon. member will refer to the schedule which I put on Hansard a few moments ago he will find that there was a very slight difference between the price fixed and the prices prevailing on the Chicago and Winnipeg exchanges. It was for a few days only that the prices began to leap.

Mr. BROWN: But for a time wheat did sell at a higher price than the fixed price.

Mr. STEVENS: Certain sales were made in the winter of 1916-17 prior to this control coming into effect. Those were actual contract sales of Nos. 1, 2 and 3, and when the time for delivery came in the spring those grades were pretty well cleaned up. There was a large residue of the lower grades, but there was practically a corner on Nos. 1, 2 and 3, and that, to a large extent, precipitated this order. The speculators, and not the farmers, would have made the profits. The board made a successful effort to take the lower grades off the hands of the farmers.

Mr. DONNELLY: Mr. Chairman, I want to associate myself with several hon. members who have referred to this matter already, and state that this is not a political issue. I do not believe any hon. member thinks that there was anything wrong in connection with the 1917 or 1918 crops, and none of us thought anything about it until this letter from Mr. Whiteside was referred to. The hon. minister stated a moment ago that we have no grounds for our argument, but I disagree with him. We have this letter written by Sir George Foster, and that is the first intimation we had of any difference in the price. We knew that Sir George Foster was a responsible person; we had his definite statement that this crop had been sold at different prices from the 1917 and 1918 crops, and that information was not in accordance with what we knew to be the facts. We are simply trying to get at the facts. The minister has stated that $428,000 was taken from the board of grain supervisors and put into the consolidated revenue fund, the same action being taken with the five or six hundred thousand dollars taken from the wheat board. I believe that $428,000 is still in the consolidated revenue fund and has never been distributed, and it was to bring out these facts that we started this discussion.

Mr. MOTHERWELL: Mr. Chairman, there is another reason for our starting this discussion besides the representations of Mr. Whiteside. That gentleman took this matter up before the municipal union at Prince Albert early this winter, and that body, representing all the rural municipalities of Saskatchewan, after hearing his representation, sponsored his proposal and presented it to the Prime Minister. The Prime Minister replied and his letter appeared in the press. His reply indicated clearly that he did not understand the situation at all, because it was directed entirely to 1919, about which Mr. Whiteside had not inquired at all. I do not know whether that correspondence is on this file or not.

Mr. VALLANCE: I do not think so.

Mr. MOTHERWELL: That correspondence shows that a responsible body like the municipal union of Saskatchewan sponsored the request of Mr. Whiteside, and presented it to the Prime Minister. The Prime Minister's reply showed that he quite misunderstood the question—just as it is evident that some hon. gentlemen present do not understand it—because he referred almost entirely to 1919, which was not a matter of consideration or dispute at all.

Mr. VALLANCE: I am not at all apologetic for having interjected this question at this time. It is a matter that should be cleared up. I want to assure the minister that we appreciate the manner in which he has dealt with the whole matter and his sincerity in trying to clear it up. I still believe that if we had the privilege of taking the question to the committee on agriculture, where we would not have to occupy the time of the house in dealing with it, we could settle the matter. In spite of the fact that I may have convinced myself, or the minister by the arguments he has adduced may convince me, that there is no amount of $100,000,000 that rightly belongs to the farmers of western Canada in this connection, we still know, as was pointed out by the hon. member for Willow Bunch, there is about $428,000 and some residue from the old wheat board, and in view of the present hard times among the wheat growers of western Canada I suggest that the government devise ways and means of helping to relieve agricultural distress with this money, plus the interest compounded from the day it went into the treasury of Canada.

Mr. YOUNG: May I refer for a moment to the surplus of something like $100,000 that is still in the treasury from the wheat board. I understand that this was retained in case any of the participation certificates held by the farmers should turn up. A few of them have turned up since. I think some of them were sent to the hon. member for Melville with the request that he endeavour to have them cashed. Some were sent to me. I endeavoured to have them cashed, but officials of the department coolly told me they would not cash those certificates because it was too much trouble to dig up the records. Would the minister look up the records and see that these certificates are cashed, in spite of the fact that it may cause a little trouble to his officials?

Mr. STEVENS: I can assure my hon. friend no reasonable amount of trouble will be spared to arrange for taking care of any proper obligation. One thing which I think should be kept clearly in mind is that the money should be paid only to those properly entitled to it, that is, to those to whom the certificates originally belonged, or, in case of their death, to their legitimate heirs.

Mr. MOTHERWELL: Probably I can explain what occurred. I received a number of requests in connection with certificates that turned up after a lapse of a number of years. The government of that day kept the account open for several years.

Mr. STEVENS: Eight years.

Mr. MOTHERWELL: I had some correspondence with the deputy, who is at present sitting in front of the minister, with regard to the question of what we were going to do with the occasional lost certificates that turned up. I cited one instance of a gentleman who had $400 or $500 coming to him on a certificate. He had been very kind to the government in presenting a whole square mile of land for experimental purposes. After he died, this was all to be provided for in his will and in the registry office, yet we were holding back $400 or $500 that we owed him on a found certificate. I agreed with the deputy that it was inconvenient to open up these files again, but I made the suggestion that a vote be included in the estimates to take care not only of this gentleman but of all the rest of them which were found. There is plenty of money available to do this. I think it was quite reasonable on the part of the deputy to take the ground he did, and he will find in the department a file showing my concurrence. But there is still another way of handling the matter. In the Department of Agriculture in past years we used to bring down an item covering fifty or sixty head of animals that had been slaughtered, but in regard to the conditions under which they were slaughtered the law had not been complied with. That vote was never objected to and the money went to the individuals who were entitled to receive it. The same thing could be done with regard to these lost and later found certificates.

In 1925—of course that is five or six years ago—the then government dug up all the information which was necessary to find out about the 1919 surplus. It must be remembered that the late Mr. Robb had to be satisfied that he was justified in paying out the money, and it is not easy to satisfy any minister of finance on such a point. The evidence must be irrefutable. It took two or three years to do this. It was done, but the complaint was never made that there was

any difficulty with regard to getting the information. The information was gathered without any difficulty, and as a matter of fact I saw all the documents. That is hardly six years ago. What has become of them since? There should be no insuperable difficulty in getting for 1917 and 1918 information similar to that which was got so comparatively easily five years ago for 1919.

Mr. STEVENS: Franly I may say all the documents to which my hon. friend refers are before us. I really do not want to go back over the question again.

Mr. MOTHERWELL: I did not just catch that, but I understood from the minister in the early part of the afternoon that all the documents went over to the wheat board the following year. The cash went into the treasury of the Dominion; the documents went over to the wheat board, but there is no record of the wheat board receiving them or handling them.

Mr. STEVENS: Except the auditor's report and these other reports.

Mr. MOTHERWELL: This is a very flimsy way of doing business, and if the farmers are going to ask the government, as apparently they are, to handle their business for the coming year, they certainly want to know how it is to be handled.

Mr. McGIBBON: Why did my hon. friend not clean up the mess?

Mr. MOTHERWELL: I have answered that two or three times. I do not think my hon. friend was in the chamber at the time.

Mr. McGIBBON: The hon. member told the house the other night he did not know anything about it.

Mr. MOTHERWELL: Because it was not presented to us. How can a government solve a problem before it is presented to it?

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. DONNELLY: Just before six o'clock we had arrived at some kind of understanding with regard to the 1917 and 1918 crops, but one thing that is not yet clear in my mind, is with regard to the 1916 crop.

Mr. A. LAVERGNE (Montmagny) (Translation): Mr. Speaker, I rise to a question of privilege. Being indisposed this afternoon I was obliged to keep my room, and I was therefore not present in the house when a vote was taken. I wish to state that had I been here, I would have voted for the motion of the member for Laprairie-Napierville (Mr. Dupuis).

Mr. DONNELLY: The hon. member for South Winnipeg, speaking of the 1916 crop, at page 1528 of Hansard of May 12, says:

> We considered the crop on the basis of No. 1 northern at $3 a bushel.
> Mr. Young: Was that f.o.b. Fort William?
> Mr. Rogers: Yes.
> Mr. Motherwell: The 1917 crop?
> Mr. Rogers: The 1916 crop.

Again, at page 1530 of Hansard of May 12, he was asked this question:

> Mr. Donnelly: My hon. friend said a portion of the 1916 crop was confiscated, and that $3 a bushel was paid for it.
> Mr. Rogers: No, it was sold at that price.
> Mr. Donnelly: To whom did you pay the $3 a bushel?
> Mr. Rogers: The people got it. Whoever had wheat in this country got every cent of it.

I questioned that at the time, but the hon. member for South Winnipeg still maintained that $3 a bushel was paid. Now I find by looking at page 376 of the Canadian Annual Review of 1917 this statement:

> The first important action—

It is referring to the actions of the grain supervisory board.

> —was the fixing of the maximum price for 1916 wheat, then in storage, at $2.40, to come into effect on August 1.

Mr. MANION: That would be the price for 1916?

Mr. DONNELLY: Yes. There again we have a variance. The hon. member for South Winnipeg said that we got $3 a bushel, and he made the deal. Now we find by the Canadian Annual Review that we got $2.40 a bushel, and I remember that that is what we did get. Whether the government or someone else made the deal and got $3 a bushel and the farmers were paid only $2.40 a bushel, we do not know. There is a conflict of figures again, just as there is with regard to the 1917 and 1918 crops. The Minister of Trade and Commerce of that day, Sir George Foster, said that the 1917 and 1918 wheat was sold at the market price from day to day, and we find that it was not sold at the market price from day to day at all, but at a fixed price of $2.21 a bushel. As a matter of fact, if I remember rightly, and perhaps the minister will be able to confirm this from his records, we got $2.24 instead of $2.21 a bushel for 1917 and 1918 crops. I may be wrong, but I have an idea that we were paid $2.24. There are such differences of

opinion and divergencies of view on the part of different individuals in connection with this matter that even yet I am at a loss to know whether we have got down to the real facts, to what is fair and square. Has the minister any information to give us with regard to the 1916 crop?

Mr. STEVENS: I think my hon. friend is referring to what I might call a different portion of the 1916 crop from that which is referred to by the board of grain supervisors.

Mr. DONNELLY: No, it is the same thing.

Mr. STEVENS: If my hon. friend will pardon me, in the autumn of 1916 the crop of that year was being poured on to the market, and there were difficulties; there is no question of that. My hon. friend from South Winnipeg and other ministers of the government of that day were in London at the time, and they made certain arrangements while there in connection with that crop. That was in the winter of 1916-17, before New Year's day, I imagine, of 1917.

Mr. McINTOSH: The negotiations took place in the latter part of 1917.

Mr. STEVENS: No, in the fall of 1916, I am quite certain, and they were dealing with the conditions of the moment. They made certain arrangements—I have not a record here of what those arrangements were —out of which arose the obvious necessity of appointing someone to take charge. Then in 1917, under the War Measures Act, on June 11 an order in council was passed appointing the board of grain supervisors. On the 20th of July, 1917, the board of grain supervisors fixed the price for the balance then remaining of the 1916 crop.

Mr. DONNELLY: That is what I refer to.

Mr. STEVENS: That would be some six months after the incidents to which my hon. friend from South Winnipeg referred.

Mr. DONNELLY: I do not think so. I think it is the same thing. It was the balance of the 1916 crop that was left over and which was bought at that time, and the hon. member for South Winnipeg said that they agreed to pay $3 a bushel for the balance of the 1916 crop left over. The market was then open; in fact I remember quite well selling some wheat myself for over $3 a bushel at that time.

Mr. STEVENS: I still must insist that there was a difference between the action of the board of grain supervisors in July 1917 and the action of the ministers who were overseas in the fall and winter of 1916. In this report of the board of grain supervisors they do refer to a condition on the exchange. I do not know that they give very close dates, and that is one of the difficulties that we have in running these very obscure matters down. But they said:

> The effect of all this was not only an increase in the price of wheat, with occasional violent fluctuations, but was in a word the disintegration of the grain exchanges both in Canada and the United States.

The report goes on:

> This disintegration appeared dramatically in Winnipeg in the spring of 1917. During the previous winter months the agents of the allied governments had bought wheat freely to be delivered in May and July.

That is what I referred to this afternoon.

> They bought this wheat mainly, if not altogether, from the operators of country elevators who, as they bought the wheat from the farmers from day to day, sold it for May and July delivery.

That was in the winter months. The report goes on:

> Neither the buyers for the allied governments nor the elevator operators who sold the wheat were gambling in futures. The buyers were providing to the best of their judgment for future needs of the countries they represented, and the sellers were securing their loans from the banks by hedging their purchases in the only way known to commercial men of providing against risk. These future contracts called for grades 1, 2 and 3 northern. It turned out that much of the wheat thus sold or hedged did not measure up to these contract grades. As a rule, and under normal conditions, this presents no great difficulty, because the buyers are willing to accept lower grades on the contracts at fair discounts. This, indeed, is a well-established commercial practice. In the spring of 1917, however, the British representatives intimated that they were unwilling or unable to accept lower grades at discounts, and that they would require the contract grades. This forced the sellers to try to buy the higher grades on the open market, with the result that the prices of these grades went skyrocketing. As prices soared the sellers were called for increasing sums of money, and the limit of their credits was soon reached. In effect the market was cornered and a disaster upon a large scale was impending.
>
> To avert this the Winnipeg grain exchange investigated the conditions, found them as above, closed the market for futures, and by the aid of the Dominion government secured the consent of the British authorities to a settlement along commercial lines. As a result the British accepted the lower grades of wheat on the contracts at fair discounts, the discounts were speedily fixed and the situation cleared up.

I think that fairly well explains the situation. It must be borne in mind that we cannot differentiate as to the exact date, because many of these transactions were in the winter, but for spring and summer delivery. When it came to June and July of

1917, this is the condition which developed. Then the board of grain supervisors stepped in. Having cleaned up the situation the price was fixed at $2.40 per bushel. I think that is as fair as I can make my explanation.

Mr. MOTHERWELL: That is August 12.

Mr. STEVENS: July 20, of 1917.

Mr. BROWN: That is for the balance of the 1916 crop.

Mr. MOTHERWELL: It was pegged from then up to the time that the board of grain supervisors started out on the $2.21 price. It was pegged right up to that time at $2.40.

Mr. STEVENS: Yes.

Mr. BOTHWELL: I would ask the minister if the following statement which I find in the Canadian Annual Review of 1917 is correct:

On September 12 the board—

He has referred to the board of grain supervisors.

—announced the fixing of prices for the 1917 crop of wheat on bases identical with those of the United States for the same grades at Minneapolis and Duluth; No. 1 Manitoba northern, $2.21, No. 2, $2.18, No. 3, $2.15; No. 1 Alberta red winter, $2.21, No. 2, $2.18, No. 3, $2.15. As in the United States, American millers and the allies were required to pay to the United States grain corporation one per cent on the wheat purchased, in addition to the fixed charges, and in accordance with a request from the United States government, the board decided that Canadian flour millers, the allies and other consumers of Canadian wheat would be required to pay, in addition to the fixed prices, a sum of two cents per bushel to the board, and the allies, including the United States, a further amount not exceeding two cents per bushel—the money to be used in carrying-charges on wheat held in country elevators.

I would like to ask the minister if that was the basis on which our wheat was sold, $2.21 plus two cents per bushel for handling charges?

Mr. STEVENS: Yes, that is correct. I have an order in my hand which I am looking at for the first time. While my hon. friend has been reading I have turned it over in my hand, and I think this order is the one upon which this statement is based. It reads:

Wheat shipments east from Fort William and Port Arthur; collections to carrying charge fund.

It is hereby ordered by the board of grain supervisors for Canada that for the purpose of supplementing order No. 8 of the board, there shall be paid to the board upon all shipments of wheat by rail or boat from Fort William or Port Arthur a charge of two cents (2c.) per bushel if destined to Canadian points, and not less than two cents (2c.) and not more than four cents (4c.) if destined to points outside Canada. These charges shall be paid to the Lake Shippers' Clearance Association, the duly authorized agents of the board.

That is the authority upon which the statement is made. Apparently my hon. friend was not here this afternoon when I fully accounted for the $428,000 balance of the board of grain supervisors given at the end of their thirty-two months operations and vouched for by George A. Touche & Company, chartered accountants.

Mr. BOTHWELL: I heard that statement given, but I still wondered how that surplus was made up. How was there a surplus if the statement made by the hon. member for South Winnipeg the other night was at all correct?

Mr. STEVENS: Does the hon. member understand the matter now? There was $2.21 paid for wheat, and in addition to that there was a charge of two cents a bushel for handling charges. Out of that arose a fund of $10,000,000 odd.

Mr. BOTHWELL: My point was in connection with the two cents per bushel. I do not think we understood this afternoon what the handling charges were.

Mr. STEVENS: Yes, that is correct. Out of that was built up this fund of $10,000,000, and disbursements show it was made up largely of carrying charges. They are charges ordinarily made in the business, leaving the surplus to which we have referred, which was paid to the receiver general.

Mr. BOTHWELL: There is one other question which if possible I would like to have cleared up. I find in the Canadian Annual Review of 1917 a statement, that on November 21 the grain board received a cable from London which closed matters up for the 1917 crop. The cable reads:

Have received cable from royal commission on wheat supplies whereby they authorize us to guarantee to you that the Wheat Export Company will accept grain from grain supervisors, all allocations of Canadian wheat for the balance of season, basis of price of $2.21.

Will the minister confirm that as being the authentic cable from the old country?

Mr. STEVENS: I can say that the facts as stated seem to be in harmony with the general reports that we have; but I am afraid I could not verify a cable of that nature.

Mr. DONNELLY: I must say that so far as the 1916 portion of the crop is concerned I am not able to make the figures agree in

any way. I do not see how the hon. member for South Winnipeg could have sold 100,000,000 bushels of wheat at $3 a bushel, as he said he did, for the 1916 crop, when in fact he had no wheat to sell. There is something altogether wrong in that. In the Canadian Annual Review it is stated that the price was $2.40. Either the one or the other is wrong. That $2.40 is for the remainder of the 1916 crop which in July was lying in the elevator. That is a portion of the crop referred to by my hon. friend; that is the only thing he could sell. When the wheat was confiscated and taken over he could not sell my wheat and other farmers' wheat and say what price we were going to take for it.

Mr. MOTHERWELL: I think we might stay here until doomsday and not reach a satisfactory solution. Why does not the minister accept the suggestion to refer this matter to the agriculture committee? At such time we could have witnesses who could tell in a minute through what medium our wheat was sold in the years 1917 and 1918, whether it was the export marketing board or the board of grain commissioners. I think it was the export marketing board. I remember discussing the matter with Mr. Dunning, who had a great deal to do with it. There was Mr. Henry Wise Wood, Mr. Crerar, Jim Stewart, and Jim Richardson who could be called as witnesses before the agriculture committee, but who were not all on the board of grain supervisors. Imagine a board of six or eight or ten prominent grain men supervising something so thoroughly that you have no record as to what they received for the wheat, and do not know who sold it or who bought it or at what average price. Is it wrong for us to want to know what that wheat was sold for and who sold it on behalf of the farmers?

This would not be a matter for us at all, since we got the full price we agreed to take, but the understanding was that any advantage in the selling of wheat at this low price would go to the allied purchasing commissions. We know the history of wars in regard to food prices. You have only to look to the American war of independence to see what they had to do to control food prices. See what happened during the French revolution with regard to profiteering in connection with food prices, and the extreme measures that had to be taken to hold it down. We agreed to this measure to hold down prices. May I quote Herbert Hoover without its being objected to? He was food controller in the United States during the war, and this quotation is taken from the Winnipeg Free Press of May 16, 1917. While this is not an authoritative document, I would remind the house that the Free Press at that time was no rip-roaring Liberal paper, but was always a reliable paper editorially and as a news gathering agency also. There is a long article here having to do with Herbert Hoover, and among other things it gives the following quotation from him:

> If, however, the whole world, allied and neutral, is to have the unrestricted run of our markets in competition with each other and in competition with the speculator in this country, we may expect to see $5 wheat before the year is over.

We knew that, yet in the face of that knowledge, in the negotiations which were conducted a little later between the Canadian Council of Agriculture and Sir George Foster, he tried to keep the price down to $1.30 a bushel on the basis of Fort William. The Canadian Council of Agriculture finally agreed to take $1.70, which was refused. A little later the government would have been very glad if that price of $1.70 had been in effect, because wheat kept going up until finally the price of $2.21 was agreed to.

This quotation to which I have referred is not from any government file; it is from the Winnipeg Free Press. My hon. friends may object to it, but let them produce anything better, and then we will not have to produce this. I have been securing further information with regard to prices in 1917. I have taken these prices from the Winnipeg Free Press, and you will get exactly the same prices in the Winnipeg Tribune or any other western city daily newspaper of that time. On May 3, 1917, the price of No. 1 northern at Fort William was $2.82. That was just a little while before the time to which we have been referring. On June 1 the price dropped to $2.33; on June 14, it was $2.62; on June 30 it was $2.26; on July 4 it was $2.20; on July 23 it was $2.40. On July 25 it was the same, $2.40, and on July 28 it was $2.46. On August 1 it was $2.38; on August 10 it was $2.40, and then on August 20 the price was set by the board of grain commissioners, until August 31, at $2.40. Between those dates it was pegged at $2.40 continuously. I think the files indicate that this was the period when they were completing negotiations with the United States as to what would be the fixed price for the balance of the grain year. They finally agreed that the price in Canada would be $2.21, and that in the United States it would be $2.17 on a Minneapolis basis and $2.20 on a Chicago basis.

This information is from an unofficial source, but I can assure the committee that as far as I know it is absolutely correct. It demonstrates the fact that the farmers were ready to agree to very much less than the ruling prices of

that day, and that they knew the prices would go much higher if they were not fixed. However, it was on the condition that the advantage of that low price of $2.21 would not go to the Dominion treasury that this agreement was reached. We thought we had already contributed pretty heavily to the treasury through our taxes, and we understood this advantage would go to the allied nations with whom we were in very strong sympathy.

It would be the simplest thing in the world to let this matter go to the agriculture committee, and call as witnesses the members of this board of grain supervisors. We will take their word for it; they know the price that was received for the wheat. If we can just find out the aggregate amount obtained through the sale of wheat we will do the mathematical calculation necessary to obtain the price per bushel. We know there were 350,000,000 bushels sold, so it would be a simple matter of long division to get the price per bushel, but we lack one essential factor; we do not know what was received for the wheat abroad. Are we entitled to that information? If we are not entitled to it let the minister say so. If we are entitled to it, why does he not come across?

This would not be the first matter to be sent to the committee on agriculture. That is not a terrible place to go. We have solved many difficulties there; we have considered and solved the wheat mixing question, the immigration question and so on, and our solutions have been satisfactory and acceptable to all. I do not know a single question that has been sent to the agriculture committee that has not been dealt with satisfactorily. Will the minister give the reasons why he does not want the matter to be sent to that committee? Does he think it will prolong the debate? I am led to understand from his remarks that these wheat files are still in the department. If he could say they all went over to the wheat board of 1919 and were destroyed as being out of date, we would know there was no hope of getting this information, but we have been told that all the files are in the department, and the information is there to be obtained. Why does he not dig it out? I want to tell the committee that I had some experience with matters of this kind in the Department of Agriculture. There was the matter of the old food board which used to be ragged so badly, over which Mr. H. B. Thomson presided. That board did a lot of good work, and the files were stored in the basement of the Department of Agriculture. On several occasions information was required which was contained in the files, and no matter how long it took we dug it out. We did not tell the applicant that it was too much trouble, that there were too many files to look over, or anything like that. I am only asking my hon. friend to do in this instance what I did myself when I was asked for information contained in files which were just as old as, indeed older than the files in this case. We do not like to prolong this discussion—

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: We will stop it now if it is referred to the agriculture committee.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: I should like to see where the joke is. I will tell hon. members that if it is not referred to some committee they must take the responsibility of voting down the proposal, and then they will hear something about it.

Mr. VALLANCE: During the dinner hour I was looking over some of the evidence which has been brought out during this discussion. I have suggested to the minister on various occasions, as the hon. member for Melville suggested just now, that this matter be referred to the committee, and therefore I would move:

That item 363 stand for further consideration until the operations connected with the disposal by the government or any of its appointees of the wheat crop for the years 1916, 1917 and 1918 be referred to the committee on agriculture and colonization for the fullest investigation.

Mr. STEVENS: May I say at once that there has not been the slightest disposition on my part to resist the reference of this matter to the agriculture committee. I did seek, however, to point out to hon. members opposite that the discussion has been very broad. I think we have run down practically every point that has been raised, and there is nothing to be gained by referring it to the agriculture committee. If, for instance, there were some specific statements that could be referred to; if there were some point supported by reasonable evidence that there was something wrong, then there would be ground for referring the matter to a committee. Personally I have no objection at all to the agriculture committee exploring this business, but I feel that we have gone to a great deal of trouble. We have gone into the matter from every conceivable angle. I have answered, I think, many of the points time after time, and the point last raised by my hon. friend I can answer in a moment. Now, I think that for these reasons the matter should be disposed of. My hon. friend has proposed a motion which is perhaps not quite ordinary, and I was going to suggest

before he did so that I should be quite prepared to have one of these items held over—this is constantly done in matters of this kind—on the understanding that any questions left undiscussed could be taken up later under such item. And in the meantime we could consider the question of referring this subject to the agriculture committee. If it is to be referred to the agriculture committee, this must be done by means of a substantive motion before the house, with the Speaker in the chair; the subject cannot be referred to a committee from committee of the whole house. That, however, is a matter of form, and I would not put anything in the way. I should not like, however, to commit myself definitely and finally and say that we will refer the matter to a committee in its present nebulous form. Let us try to get together and outline what is to be referred to the committee so that that committee will not, shall I say, be wandering all over the field. My hon. friends will perhaps accept that suggestion on the understanding that if no agreement can be reached on the matter we will open it again at some future date to their entire satisfaction in committee of the whole. I wish to make it abundantly clear that I have not the slightest objection to the agriculture or any other committee exploring the subject.

Mr. MOTHERWELL: Before the hon. member for South Battleford replies, I would point out that, apart from the particular subject under consideration at the moment, there are a number of other questions bearing upon this vote which we desire to discuss.

Mr. STEVENS: I should like to proceed with them; that is the point.

Mr. MOTHERWELL: But we cannot proceed with them all at once.

Mr. STEVENS: I am not complaining.

Mr. MOTHERWELL: There are other questions connected with this vote besides the Whiteside letters or, better still, the communication from the rural municipal union of Prince Albert, forwarded to the Prime Minister. For example, I wish to discuss the Hudson bay elevator at Churchill. I should like to see it operated by the government.

Mr. STEVENS: That is under the railways.

Mr. MOTHERWELL: It is under the Department of Trade and Commerce as well.

Mr. STEVENS: No.

[Mr. Stevens.]

Mr. MOTHERWELL: Oh yes; all these elevators are under the Department of Trade and Commerce: that department has complete authority in respect of them. The railway department may, and do, build them.

Mr. STEVENS: We are quite ready to go on with that.

Mr. MOTHERWELL: But we desire to dispose first of this other question. I would point out again to the minister that, even if the matter now before the committee—Whiteside's letters and Sir George Foster's reply—were out of the way, there are still further questions to be considered in relation to the grain act.

Mr. VALLANCE: I have no objection to the suggestion made by the minister, but I would impress upon him and the government, as the Prime Minister is already aware, that Mr. Whiteside is not the only individual who has been pressing this question. As has been pointed out by the ex-Minister of Agriculture, the rural municipalities held a convention in Prince Albert in February. They passed a resolution, a copy of which was sent to the government and we are in duty bound to insist that some means shall be found of disposing of this matter during this session of parliament. The minister nods his head, and if it will facilitate matters by allowing the item to stand, as he has suggested, then, as the individual responsible probably for introducing it, I am frank to say that the proposal is satisfactory to me, provided it meets with the approval of the committee.

Mr. McINTOSH: I have listened to this discussion now for a considerable time, and as a member from western Canada I am very much interested in it, as are my fellow members on both sides of the house.

The name of Robert Whiteside has been brought up in connection with the promulgation of this question in the press. It seemed to me this afternoon that there was an atmosphere of apology surrounding the name of Whiteside whenever it was mentioned. In my opinion, Mr. Chairman, Mr. Whiteside is to be commended. What did he do? He did what an awful lot of other people do not do when they write to the press. I am a newspaper man myself and I know whereof I speak. We get letter after letter without any name and often merely with a nom de plume. Such letters must, of course, be thrown into the wastepaper basket. Mr. Whiteside did not do anything of that sort. He made certain explanations and certain accusations and he revealed his identity. It seems to me, there-

fore, he is pretty nearly all white. He is not afraid to say what he thinks. In a letter to which he signed his name he states:

> Every farmer in western Canada is under the impression that our federal government—

The government of that day, of course.

> —premeditated and entered into an agreement to handle the wheat crop to make gains for themselves at our expense.

Sir George Foster, replying to this, takes up Mr. Whiteside on the expression "every farmer". He replies to Mr. Whiteside's statement in this way:

> Therefore, "every farmer" is too strong, and you will certainly have to modify that, and I am not going to take up my time or yours in controverting a statement of that kind. I do not think you really believe it. It is impossible that such should be the case, and it is contrary, of course, to the fact.

It will be observed that, in this reply, Sir George is arguing that Mr. Whiteside, when he used that expression "every farmer", meant quite literally every farmer in western Canada. But that was not Mr. Whiteside's meaning; he was using a definite term in an indefinite sense. Everyone knows that this is a common characteristic of either poetic or prose licence; and Mr. Whiteside is absolutely justified in using the expression "every farmer" to mean a great number of farmers. He does not mean literally every farmer in western Canada, but a great number of the farmers there. He is absolutely on solid ground and I see no reason for the reply which Sir George Foster made.

Now, that being the case, that point being established that thousands and thousands of farmers in the west believe the statements that Mr. Whiteside made, I think it is rather important for this house to take due notice of every statement which he did make. It seems to me we should do our best to clean up the situation, and I am under the impression that the best way to get the whole thing clarified, to have the problem analysed and properly presented to western Canada, especially to the farmers, is to have it sent to one of the standing committees of the house. I do not care to which committee it is sent. The suggestion has been made that it be sent to the agriculture committee. I noticed, as the discussion proceeded this afternoon, that Canada was concerned, the empire was concerned, the allied nations were concerned. So far as I can see, therefore, this is an international question and might very well be sent to the committee on international relations just as properly as to the committee on agriculture. But it does not make any difference which committee considers it. The matter involves money, and therefore the banking and commerce committee might consider it. My point, however, is this. Will the minister make up his mind to have this question referred to one of the standing committees of the house in order to have it thoroughly investigated for the purpose of giving the evidence to the country and clearing up the situation once for all?

Just one word in conclusion. To my mind, mathematically the question for us to examine is a simple one. We have the number of bushels. That is factor No. 1 in the equation. We have the price per bushel. That is factor No. 2. We do not know the price received—that is the unknown quantity. If you take the number of bushels, plus the price per bushel, you have next to ascertain what we received. All you have to do is to work out that equation: number of bushels, price per bushel: what is the value of the unknown quantity?

Mr. STEVENS: The only thing wrong with my hon. friend's last remarks was that he was adding instead of multiplying. But that is a mere incident.

Mr. McINTOSH: I would direct the attention of the hon. minister to the fact that it is not all multiplication; from his knowledge of mathematical equations he will realize that if it is not addition it is division.

Mr. STEVENS: I have stated already that I am quite willing that this item should stand and that we should consider the question of referring it to a committee with a proper order of reference. We are not prepared tonight to do that, because every hon. member seems to have a different view of the matter. The only reason I suggest that another item be taken up is that this is a large item covering different activities.

Mr. DONNELLY: I asked the minister yesterday if he could tell me how much money had been collected for the handling of grain since the grain act came into effect, as well as the amount expended. The impression seems to be abroad that the handling of grain has not paid its way.

Mr. STEVENS: I am quite prepared to answer that question, but I should like to know just where we stand. Are we going to continue with this item, or is it to stand?

Mr. VALLANCE: I will withdraw my motion if the item is allowed to stand.

Mr. TOTZKE: Would the minister table the reports and articles from which he read

so that hon. members will have an opportunity of studying them? Would the hon. member for South Winnipeg table the memoranda from which he read?

Mr. STEVENS: In answer to the hon. member for Willow Bunch I give the committee the following information. From 1902-3 to 1912-13 the inspection and weighing of grain was carried on under what was then known as the Inspection Act. During that period the revenue was $1,556,868.13 and the expenditure, $2,131,474.34. The Canada Grain Act came into force in 1912, and from that date until 1930-31 the revenue amounted to $33,027,437.67 and the expenditures to $25,038,860.84. The total revenue from 1902 to 1931 amounted to $34,584,305.80, and the total expenditure to $27,170,335.18, leaving a surplus of $7,413,970.62. However, there is an item of $10,871,706.69 covering the cost of construction of government elevators from 1912-13 to 1930-31. No interest is allowed on this item nor has any part of the principal been a charge against the total revenue.

Mr. BEAUBIEN: I received a letter some time ago from one of my electorate in connection with the participating certificates. I wrote to the department and received a very courteous reply from the deputy minister. This man claimed that he had delivered a certain number of bushels of wheat in 1919 but had not received any money for his participating certificates. I understand that when the money left from the wheat board of 1919 was turned over to the provinces, $100,000 was kept in the consolidated revenue fund to take care of any further participating certificates. If I am wrong in that belief, perhaps the minister will correct me. I do not know just how valid a claim this man has, but I would like some information in this regard when this item is next before the committee.

Mr. STEVENS: I will do my best to supply that information.

Item stands.

Commercial intelligence service, including miscellaneous expenditure in connection with Canada's trade, $700,000.

Mr. YOUNG: Does this item include anything for newspaper advertising in Canada?

Mr. STEVENS: No.

Mr. McMILLAN (Huron): Could we have an explanation of this item?

Mr. STEVENS: The commercial intelligence service deals with overseas trade and is made up of thirty-five trade commissioners located in different countries. I have a list of the names of the commissioners and where they are located, and so on, but I do not think these details are necessary at the moment. These trade commissioners act in the interest of Canadian trade, not only by keeping the government and the department advised of trade conditions in the different countries, but by making actual contacts between Canadian exporters and likely importers in the countries in which they are located. I think without exception the business public of Canada speak most highly of this service. The vote this year shows a decrease of $50,000 which is accounted for by a curtailment of travelling expenses. Last year a number of the senior commissioners were changed from one country to another and the cost of moving them with their families was considerable. That expense will not be incurred this year, and there is also a little stiffening up of the restrictions on other travelling. This vote is required chiefly for salaries, to pay rents of offices, travelling and sundries.

Mr. STEWART (Edmonton): Is an amount being expended this year for assisted advertising to seek business abroad, particularly with respect to new products? I understand that a sum of $50,000 has been expended for this purpose during each of the last two years.

Mr. STEVENS: That will be covered by another item.

Mr. CHAPLIN: What new offices, if any, have been opened during the past year?

Mr. STEVENS: Only one new office was opened in the fiscal year 1930-31, and that was at Cairo under Mr. Lamontagne, who was formerly trade commissioner in Brussels, but who was loaned nearly four years ago by the government of Canada to the government of Egypt as an expert adviser in the drawing up of the customs regulations. His engagement with Egypt expired and it was thought advisable to appoint him as trade commissioner in Egypt. His territory would cover the Soudan, Palestine, Cyprus, Arak, Syria and Persia. He covers a very extensive territory and his appointment, we believe, will have very good results.

Mr. GERSHAW: How many trade commissioners are there and how are they chosen?

Mr. STEVENS: Thirty-five at the present time.

Mr. HANBURY: How many altogether are employed in these different offices and what are their classifications?

Mr. STEVENS: To give this information with the classifications is quite a task.

Mr. HANBURY: I shall amend my question to just the total number of employees.

Mr. STEVENS: There are thirty-five trade commissioners, twenty-two assistant trade commissioners. That includes eight vacancies.

Mr. HANBURY: Not filled?

Mr. STEVENS: Not filled, but they are about to be filled, as the next item will show. Then there are eight junior trade commissioners, one commercial agent, one inspector of trade commissioners' offices. That is vacant at the present time.

Mr. HANBURY: What are the qualifications for these commissioners and what is the nature of their appointment? Are they appointed by the Civil Service Commission?

Mr. STEVENS: Absolutely. The service has been graded on a pretty high scale. The system was inaugurated first by Sir George Foster between 1912 and 1920, I am not sure just in what year. The system adopted then has been followed throughout the years down to the present time. The Civil Service Commission call for applications and hold an examination, which is based upon a university degree in economics with a high standing in that branch of university training. An important part of the examination also consists in languages, that is, commercial languages such as French, German, Spanish and, I suppose, some others, but those are the chief ones. I may say the recent examination resulted in 140 applicants passing, all with excellent standing, and there were only six vacancies. Following the written examination the practice is for one of the examiners of the Civil Service Commission and a senior officer of the department to give an oral examination, the object being, as is known, to check the qualifications as to personality and other such matters, and these are all strictly graded by a system of marking. As a result there will be chosen this year the six junior trade commissioners who will then come to Ottawa where they will spend a year in training. After that they will be sent out as assistants to the commissioners in different parts, and subsequently they will be drafted into the complete service.

Mr. HANBURY: Is any length of residence in Canada necessary for these positions?

Mr. STEVENS: Recently the time fixed has been fifteen years.

Sir EUGENE FISET: The minister has so well explained exactly what I wanted to know that there is only one thing I should like to ask him in order to complete the information I desire. To whom should the applications be addressed of these young students who wish to enter the competitive examinations? Should they be directed to the deputy minister or to the Civil Service Commission?

Mr. STEVENS: The Civil Service Commission.

Mr. SANDERSON: When the committee was sitting the other day I directed a question to the Minister of Trade and Commerce with regard to the negotiations that have been carried on for the sale of Canadian wheat in China. If my recollection is correct, I think he said he preferred to discuss the matter under another item. Is this the item?

Mr. STEVENS: If my hon. friend will recall, he referred more particularly, I think, to Mr. Marler's visit to China. I suggested that it would be better to discuss that under External Affairs, but I may say that Mr. Marler is now in Canada. He was in Vancouver or Victoria yesterday and will reach Ottawa, I should say, within the next week.

Mr. SANDERSON: Has the minister any orders with him?

Mr. STEVENS: I am not quite sure, but Mr. Marler is quite a capable salesman, and as I notice by the press, he will have some hopes in any case. But I think it would be advisable to let this particular subject rest until Mr. Marler reaches Ottawa and reports to the Prime Minister under whose direction he is.

Mr. SANDERSON: I do not quite agree with the minister that this should come up under External Affairs with the Prime Minister. This really comes under the Department of the Minister of Trade and Commerce.

Mr. STEVENS: May I make myself quite clear; I was referring to Mr. Marler's visit. I have no objection to discussing any other matters coming under this item.

Mr. JACOBS: Is Mr. Lamontagne being permanently appointed to the position at Cairo?

Mr. STEVENS: Yes.

Mr. JACOBS: I remember discussing the matter with the Deputy Minister of Trade and Commerce and I suggested that a person more conversant with oriental languages, such as Hebrew, Assyrian and so

on, should be appointed, because, after all, we are dealing not with French trade but with oriental trade. I thought if Mr. Lamontagne could be further loaned to the Egyptian government and if some person more conversant with those languages could be appointed, this might be of some benefit.

Mr. STEVENS: My hon. friend will be most happy when I inform him that Mr. Lamontagne speaks not only English and French most fluently, but also Egyptian and Arabic. That is a fairly well rounded linguistic qualification for the position.

Mr. JACOBS: I am particularly interested in knowing whether he speaks Hebrew.

Mr. STEVENS: I am quite satisfied all the Hebrews there will understand him.

Mr. FRASER (Northumberland): Have we any trade commissioners in India, and if so, how many?

Mr. STEVENS: Yes, one at Calcutta.

Mr. FRASER (Northumberland): We have only one trade agent for the whole of India?

Mr. STEVENS: That is correct.

Mr. JACOBS: May I be permitted to ask the minister whether any port in Palestine is to be made a port of call in this new arrangement?

Mr. STEVENS: My hon. friend I suppose is thinking of Jaffa. The Elder-Dempster line, a most excellent line, which has given us a splendid service to India, was giving us a test service to the ports which my hon. friend has mentioned. That has been withdrawn because of lack of business. Now that Mr. Lamontagne has been appointed to that district, we hope to restore that service.

Mr. JACOBS: I was referring particularly to the port of Haifa, where great improvements are being made and a very large sum of money is being spent by the British government to make it one of the best ports in that part of the world.

Mr. STEVENS: We did call there, but at present the service is not in operation.

Mr. GERSHAW: As this is a rather important item, would the minister be good enough to put on Hansard a list of the countries where we have trade agents?

Mr. STEVENS: I shall be very glad to do so. We have trade commissioners' offices at the following places: Athens, Auckland, Batavia, Bristol, Brussels, Buenos Aires, Calcutta, Capetown, Chicago, Dublin, Glasgow, Hamburg, Havana, Hong Kong, Rotterdam, for Holland and Switzerland; Kingston, Jamaica; Kobe, Lima, Peru; Liverpool, London, and as well a special fruit commissioner there; Melbourne, Mexico City, Milan, New York, Oslo, Panama, Paris, Port of Spain, Rio de Janeiro, San Francisco, Shanghai, Tokyo.

Mr. MACKENZIE KING: Have not the trade policies of the present administration an important bearing on the possible activities of this commercial intelligence service? If I understand the Canada-first policy of the administration aright, it is that commodities shall not be imported into Canada which can be produced or manufactured here. If it is the policy of the government to enact tariffs which will prohibit the importation of any goods which can be manufactured or produced in Canada, I fail to see what service can be rendered the country by these agents in other parts of the world, because, with the exception of a few things that are produced in tropical regions, we may be able, albeit at great cost to ourselves, if the worst comes to the worst, more or less to manufacture and produce whatever may be required for existence in the country and without exchange we cannot trade.

Mr. STEVENS: We would prefer our own interpretation of the government's trade policy to that which my right hon. friend has offered as his interpretation of it. Our policy is not indiscriminately to shut out the goods of other countries. Our policy is certainly that Canadian necessities shall stand first in the attention of the government of the country. Our policy is also this, so far as the manufacture of goods in Canada is concerned, that wherever it is possible for Canadians to develop and manufacture their own ressources, they should have every opportunity to do so, and that we intend, so far as we are able, to encourage. But while that is the case, we recognize that all countries, even those following most rigidly the so-called protective policy, have much trade also with countries outside, and we intend to bend every possible effort to the sale of our goods abroad and to purchases abroad. But we find goods coming into Canada from countries in which our goods are not so largely sold, and that business could well be delivered by a government policy to countries that are better customers of ours. Our efforts, therefore, will be bent, so far as I am concerned in this department, to encouraging imports and purchases from countries that are our best customers.

An hon. MEMBER: Great Britain?

Mr. STEVENS: I do not wish to digress into an analysis of that subject to-night, but one could give some very interesting data with regard to it. So far as the trade commissioners are concerned, their purpose primarily is to look after the market for our goods in the countries in which they are located, to keep Canadian exporters advised with respect to markets that are open for our goods and the possibilities of sales, and at the same time to keep us fully informed on other activities in those countries.

Mr. VALLANCE: The minister on the 17th of September 1930, at the special session of parliament, made this statement:

> This government is not only not neglecting it, but I may tell them that within half an hour after entering office we took steps to assist in the marketing of and the extension of the markets for western grain and we have achieved some encouraging results.

At that time the minister was not in a position, he pointed out, to go into any lengthy detail, but as the Prime Minister then intimated that we should have ample opportunity at this session to rehash all that was done in the special session, I would ask the minister to tell us now just what they have achieved and what encouragement there has been.

Mr. STEVENS: When the government took office, it was faced with very serious conditions in this country, as were governments elsewhere in their respective countries. We immediately sent out instructions to our trade commissioners throughout the world to bend every possible effort towards the extension of our trade in wheat and flour. I do not wish to prolong my statement and be tedious, but there are perhaps a few things one might profitably say in this regard. We have reports on the subject which perhaps it would not be wise to lay on the table, although I shall be very glad to show them to any member of parliament who wishes to see them.

Mr. JACOBS: Our loan has been oversubscribed, so there is no danger.

Mr. STEVENS: Happily so. The people of this country know a good government when they see one.

Mr. HANBURY: And a good rate of interest.

Mr. STEVENS: Certain facts came to light. One was this: In the fall of 1929-30 a condition arose in Europe which was really an attitude of resentment rightly or wrongly, against the North American continent in regard to wheat. Rightly or wrongly they conceived the idea that to their detriment we were attempting unduly to advance the price of wheat. Hearing that rumour the European buyers turned their purchases in other directions. For instance, the Argentine got a very distinct advantage, and further we found that many of the flour mills in the consuming countries of Europe—Holland, Germany, Belgium, Switzerland, and I think, France—had changed or readjusted their screens so as to mill the Argentine wheat instead of ours. Then this year we found that millers in those countries were very reluctant to change their screens back again. In the meantime the governments of Europe had inaugurated a drastic policy of protection of agriculture in their own countries, encouraging the use and production of more of their local wheat. To this end they raised tariffs against foreign wheat ranging from 87 cents to $1 per bushel. In addition to that nearly all those countries fixed a quota on foreigh wheat. Furthermore, a strong propaganda was carried on to encourage the use of black bread or bread made from rye flour or flour prepared from grain other than wheat. All these things combined to injure in those countries the market for Canadian wheat in favour of wheat from other foreign countries. In the meantime, recognizing that situation, we have been doing our best to correct it and to disabuse the minds of the European people of the thought that we had any intention of cornering the wheat market. At the same time we have been trying to establish connections elsewhere in the world. That cannot be done in one year; it must be a matter of development which in some respects undoubtedly will be very slow. We do feel however, that some progress has been made; in certain instances new markets have been opened up. For instance a market was opened up in Columbia. I will admit it was a very small market, but worthy of mention; and the same thing has been done in other countries as well. Our exports to China this year have been very satisfactory, although the low price of wheat has been more or less accountable for that. The Australian discount has prevented us getting as large a share of that market as otherwise we would have secured. Every effort however is being made to broaden and extend our wheat market. At the same time we are seeking to establish or to reestablish relations with European countries which were so seriously injured in the fall of 1929 and 1930.

Mr. SANDERSON: Since the minister has opened up the question of export trade for grain and flour I think the committee would be interested if he would give us a report,

even if it be only an interim report, on the negotiations with China in regard to selling wheat in that country. I have in my hand a report of an interview with the Minister of Trade and Commerce, dated January 3, 1931. It appeared in the Toronto Daily Star, and was really in the nature of a New Year's message to the people of Canada. Truly it was a very optimistic message. I will not take the time to read it, but I may point out that the Minister of Trade and Commerce covered the ground thoroughly in regard to the expansion of trade and commerce which he prophesied for the year 1931 under the regime of the new government. I have also a copy of the Regina Daily Star under date of Wednesday, December 31, 1930, in which there is a report of a meeting held in the city of Regina at which the Prime Minister was the chief figure. And may I add that the paper carries a very good photograph of the hon. member for Regina (Mr. Turnbull). The report of the remarks of the hon. member for Regina reads thus:

Frank W. Turnbull, M.P., introduced the Prime Minister. The member for Regina stated that he was glad that Mr. Bennett had chosen Regina for delivery of his great message. He reminded the meeting that Mr. Bennett was not only known for his business ability, his success in the marts of trade, his wide experience in legislative halls, and his intimate knowledge of world affairs, but that he also was known as one of the outstanding figures in the halls of the empire.

Some hon. MEMBERS: Hear, hear.

Mr. SANDERSON: I am glad my hon. friends agree with that. Then I want to quote at least some of the remarks of the Prime Minister. During the course of his speech he touched the question of finding new markets for Canada. I have not time to read all that he said, but let me quote at least part of it. The Prime Minister is regarded as saying:

What great world markets then remain unexplored by us? I do not have to suggest the answer to you of the west, who for years have been turning inquiring eyes towards the Orient. There we have half a billion people to whom we should be selling our natural products, yes, and our fabricated products as well. Why have we not done so?

It is not my purpose to-night to condemn the indifference and apathy of the late Liberal government. In its lifetime many difficulties barred the way to the development of a great oriental export trade. Those difficulties yet remain. But as I believe they are not unconquerable, the government of to-day propose to overcome them. We will by all means in our power strive to secure a great market in the Orient for your products.

Mr. SPENCE: Hear, hear.

[Mr. Sanderson.]

Mr. SANDERSON: The hon. member for Parkdale says "hear, hear."

Mr. SPENCE: My hon. friend has read that extract at least twenty times before.

Mr. SANDERSON: In passing I should like to say to my hon. friend from Parkdale that I have sat in this house now for about six sessions and I have not heard a single, solitary, sensible statement from him while he has sat in the house.

Mr. SPENCE: And I have heard less from my hon. friend.

Mr. SANDERSON: When the hon. gentleman was in opposition he used to let a couple of grunts out of him every day. Now he gives only one grunt.

Mr. SPENCE: My hon. friend is giving two grunts now.

Mr. SANDERSON: That is the sum and substance of his career in this house.

An hon. MEMBER: My hon. friend talks nonsense all the time.

Mr. SANDERSON: Now, Mr. Chairman, if the hon. member for Parkdale will pay attention, I will proceed to read from the paper.

Mr. SPENCE: Well, I guess I will have to accept the punishment.

Mr. SANDERSON: I am prepared to hold this item up for any length of time, if my hon. friends on the other side of the house wish to interrupt.

An hon. MEMBER: Send for the Prime Minister.

Mr. SANDERSON: The Prime Minister's address is further reported as follows:

I have no doubt but we will succeed. It is purposeless to discuss the difficulties. You know many of them. And it is not in the public interest that I should now disclose the means by which we plan to overcome them. But I can tell you these plans are maturing, and we will not relax our efforts until they are in effective operation.

Then in larger type I find a paragraph to which I would like my hon. friend from Parkdale to pay particular attention:

Our minister to Japan, the Hon. H. H. Marier is, I hope, at this very hour on his way to China to discuss with the government of that country the purchase of millions of bushels of our wheat. Nor will the government hesitate, if necessary, to assist by providing credit facilities and by any other means in its power the establishment of so incalculably valuable a channel of trade.

Then he follows:

Do you realize what a great market in the Orient would mean to you? I think you do, but I fear you have come to believe that the door to it which has been so long closed, it cannot be opened. We believe it can. The Orient is Canada's logical customer. We have the goods it needs. We have its good-will. We have a geological advantage over many other great trading countries.

Some hon. MEMBERS: Oh, oh.

Mr. SANDERSON: Whether or not that means "geographical" I do not know; I am quoting word for word.

And you have a government which will capitalize these facts and on them will build a trade route which will mean a reorientation of the trade of this nation.

Some hon. MEMBERS: Oh, oh.

Mr. QUINN: I did not know you were a comedian.

Mr. SANDERSON: In view of the remarks of the Prime Minister, and in view of the public statements of the Minister of Trade and Commerce since this government came into power, together with the fact that Hon. H. H. Marler is now back in Canada, surely the government should have something to report to the house and to the country in regard to whether they have succeeded in establishing a trade with China for our wheat or our flour. I think this is an opportune time for the minister to make some statement.

I will pay this tribute to the Minister of Trade and Commerce. I think he is endeavouring in an honest, efficient manner, to do his very best to increase the export trade of this country, but apparently the Prime Minister, being leader, has led his Minister of Trade and Commerce up a blind alley as far as trade with China is concerned. If the minister has anything to report I know it will be agreeable news to hon. members on this side and to the whole country. I should like the minister to be good enough to take the committee into his confidence and tell us whether anything has come out of these negotiations with China, and especially whether the visit of Mr. Marler was productive of any results.

Mr. STEVENS: As I stated before, so far as Mr. Marler's visit is concerned, I think it only proper that the matter should rest with the Prime Minister, under whose department he comes. Mr. Marler does not report to me. He is the minister plenipotentiary to Japan; he undertook the mission to China at the express request of the Prime Minister, and I might say his visit was more diplomatic than concerned with trade.

Questions of trade, trade commissioners under my control and direction and so on, are matters pertinent to this item and to the Department of Trade and Commerce. I may say very frankly to the hon. gentleman that I am not in a position to give him now a report of Mr. Marler's visit. But I will say this, on the general theme: it would be most unfortunate indeed if there were to go out from this house any impression that we treated this north China trade with levity or frivolity.

Mr. SANDERSON: I can assure the minister I am not treating it with levity at all. I am serious.

Mr. STEVENS: I am speaking now in general terms. I am certain that in the north Pacific we are on the very threshold of an era of development and expansion which perhaps will surpass in magnitude anything that has been seen in the lifetime of anyone in this house. That does not mean that this year or next year we are going to have a boom; booms are things to be avoided, but it is obvious to any thinking person who is watching the trend of events that there is gradually being brought about in China a settlement of conditions which inevitably will result in an expansion of trade. I am not saying that we are responsible or can claim the credit for this; the point is that conditions are becoming settled and ordered in that great country. Our explorations and investigations demonstrate very clearly that in north China a really remarkable field is opening up. It is true that with the constant fall in the value of silver the purchasing power of that country has been curtailed, and during the past year the fall has been so precipitous that is has interfered very materially with external trade. However, there is a general conviction among students of the situation that bottom has been reached and that there is likely to be a recovery. I think it only reasonable for me to invite the attention of hon. members to the fact that scarcely a day passes that the public press does not refer to the great international problem of silver currency which, after all, is a very important factor in this oriental situation. I am not going to say to-night that the one solution of the economic difficulties of China and the orient will be found in the silver question; I am not seeking for the moment to discuss that phase of the matter, but I do present this as evidence of the interest that is being taken in this great problem. I say further that the indications are that the Nanking government of China has so stabilized its position that

now it can be looked upon as a stabilized government, and there is a strong probability that it will succeed in bringing about an economic stabilization in that country. In my opinion this will be followed by a tremendous expansion of trade. What we are seeking to do is to prepare ourselves to take advantage of that expansion, and at the same time we hope to be of some service to the great Chinese republic. So far as the present year is concerned, we have shipped, chiefly since the beginning of the new year, about 6,000,000 bushels of wheat to that country. That is not a tremendous amount, but I think it is much more significant than at first glance the figures would indicate.

Mr. DUFF: How does that compare with the previous year?

Mr. STEVENS: In the previous year we shipped 2,460,000 bushels. I do not want to give the impression that I am just putting those two figures side by side with the idea of indicating that we have accomplished something great. I do not think that is so; I want to get the proper perspective. These 6,000,000 bushels, in my estimation, are not at all indicative of what we have actually accomplished in the realm of good will.

Mr. SANDERSON: Does the minister say 6,000,000 bushels have been shipped since January 1 of this year?

Mr. STEVENS: I said that was largely so, although I am not certain of the exact quantity shipped since the first of the year. There are considerable shipments going forward at present.

Mr. SANDERSON: What about shipments of flour this year?

Mr. STEVENS: I cannot tell the quantity of flour shipped this year, but it does not greatly exceed that of last year. However, within the last week I have had conferences with the flour trade of Canada; in fact I have been in contact with them a good deal lately, and special efforts are being made now to increase our flour shipments to China. But I wish to direct attention to a fact which I have already mentioned and which it seems to me is not properly appreciated. Our shipments of flour and wheat to China this year would have been very much greater had it not been for the unusual fall in the exchange values of Australian currency, which has enabled that country to get into the market very much below our prices. That is to their advantage. Their exports of wheat to China this year amount to nearly double ours, something like 12,000,000 bushels.

[Mr. Stevens.]

Mr. HANBURY: Can the minister give a comparison showing their previous shipments to China?

Mr. STEVENS: They have shipped considerable quantities for many years, but this year they have been much in excess of the normal quantity owing to the condition to which I have referred. The point which I wish to emphasize, however, is that the indications are that we are going to have a steadily improving market in China. I have referred to wheat and flour. But we have done very well indeed in lumber also. For instance, we have increased our lumber exports to north China from 20,000,000 feet board measure to 39,000,000 feet board measure.

Mr. HANBURY: That would be by reason of the subsidy.

Mr. STEVENS: Yes; it is due almost entirely to that. That, however, I should prefer to discuss under the other item. What is the significance of this figure I have given? While we have increased our lumber sales to China from 20,000,000 to 39,000,000 feet, with the anticipated exports for the current year of 50,000,000, the United States exports, which, of course, are larger, have dropped from 250,000,000 to 170,000,000. In other words, we have increased our sales to China in lumber while United States sales have fallen off. That, I think, is a very good indication of what I am speaking of in the way of improved trade conditions.

There is much more that one might say. There are other lines which we are getting into China. But what I wish to impress upon the committee is this: I look upon the north Pacific trade, chiefly with China and Japan, as offering a remarkably profitable field for the future, and we are extremely anxious that the relations between this country and China in that respect shall be maintained on the most cordial basis, and that appreciation shall be evidenced by the Canadian parliament of the possibilities of a developing trade with that great republic.

Mr. SANDERSON: Before the Hon. Mr. Marler went to China, and while negotiations were being carried on before he was sent there, did the minister satisfy himself that financially China was able to purchase large quantities of wheat or of anything else from this country?

Mr. STEVENS: We certainly made examinations in that respect. I have already indicated that, synchronizing perhaps with that

visit, or about the same time, there was, as there has been since, a serious drop in the price of silver which militated against the achievement of all that we had hoped for.

Mr. STEWART (Edmonton): I am a little surprised to hear the statement of my hon. friend that we should not say anything detrimental to China for fear of injuring our trade with that country. I would remind him of what transpired in 1922 and 1923, when I occupied a seat on the other side. When something was said about the desirability of increasing trade with China—the Immigration Act being under review at the time—the present minister and other hon. members from Vancouver and the coast did not fail to register a strong protest against the government's admitting nationals of that country into Canada. I mention this in passing to show the difference between sitting on this side and sitting opposite.

Mr. STEVENS: We will discuss that, if you like.

Mr. STEWART (Edmonton): I fail to see why there should not be a splendid opportunity to sell wheat in China, and I fail also to understand why a drop in silver should have anything to do with the question, taking into consideration the drop that has occurred in the price of Canadian wheat. If silver has dropped, wheat has dropped correspondingly.

Mr. HANBURY: More.

Mr. STEWART (Edmonton): My hon. friend interjects, more. I do not see the force of the minister's argument. If we cannot ship our goods now by reason of a depletion in silver in China, it must not be overlooked that there has been an enormous depletion in the value of the goods we have to sell and which we are offering to the public. I repeat, I do not at all appreciate the minister's argument; and if there is an opportunity of selling wheat in China, I do not see that the drop in the price of silver has very much to do with it, so long as our commodities, wheat, lumber and others which we are seeking to sell to them, have fallen correspondingly in value. I doubt whether there will be much of a market in China beyond that which we have already captured. Austrilia is very much closer to that country. We can sell in China our lower-grade wheats from the prairies, as we have always done, and we have sold flour in considerable quantities. I was surprised to read the report of the Prime Minister's speech in Regina when he was discussing this very question. It goes to show, however, as I have said, that there is a vast difference between being in opposition and being in office. Hon. gentlemen opposite are discovering now that there are some real difficulties when once you accept the responsibility of governing the country.

Mr. CASGRAIN: It is good for them.

Mr. STEWART (Edmonton): And they will find greater difficulties if they persist in their present policy of shutting out trade, almost to the point of exclusion. I want to voice a strong protest. It will not be tonight—

An hon. MEMBER: The death knell.

Mr. STEWART (Edmonton): Yes; the death knell is being rung very properly now.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): You are doing it fine; I never conceived that you could do it so well, and I shall be delighted to see how you succeed.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): You are doing it in first class order. Keep it up and you will succeed in disgusting everyone in Canada, as they are disgusted in other countries, with high protection, which in this case is not protection at all but complete exclusion. However, this is not the place for a discussion of that question; I shall have an opportunity some other time to go into it in detail. I would observe again, though, how surprised I was at the warning given by my hon. friend, now that he is in the seats of the mighty, so to speak, to us on this side of the house, that we must be very careful about what we say lest we interfere with international trade. That was not the case when hon. gentlemen were on this side. But, Mr. Chairman, we learn wisdom through responsibility.

Mr. GRAY: With much that the Minister of Trade and Commerce has said respecting the increase of trade with China, due to their increased purchasing power in the future, I agree. But I wonder whether he seriously wishes to leave the impression in this house that there will be any large increase in the purchases of wheat from this country by China. I shall be corrected if I am wrong, but I am reliably informed that China at the present time is producing in the north sufficient wheat to meet its own needs. Moreover, China is not a wheat-eating nation. The people live largely on maize and rice cakes, and it would take years of education

to cultivate among them a genuine taste for bread made from our flour. Is the minister really serious in his assertion to-night that, as the Prime Minister has intimated, we have a market there for millions upon millions of bushels of our grain? Is he serious in that?

Mr. STEVENS: My hon. friend is a little awry in some of his facts. As a matter of fact, China produced last year—at least she produced in one year recently—about 600,000,000 bushels of wheat. That, of course, is not anything like sufficient to supply requirements. It is practically all of the soft variety. The belief that the Chinese are almost exclusively a rice eating people is not correct. Generally speaking, they will eat rice in preference to wheat and other cereals if the rice is cheaper, but within China wheat is usually cheaper than rice. These facts are not generally known or accepted.

Mr. HANBURY: That is Chinese wheat?

Mr. STEVENS: I cannot agree with the statement of my hon. friend that it would necessitate a serious process of dietetic education to induce the Chinese to use flour. Two different grades of flour are required in China. In southern China it is used mostly for what they call noodles and other forms of pastry which call for a soft variety. Farther north they use rolls and other forms of bread, which call for a different grade. The milling industry is exploring this enlarging market in the north. I say with perfect candour to the committee, as I did the other night, that there are those who seem to hold to the view that the Chinese will never import much wheat, that we have reached the point of saturation. I do not concur in that view. We intend to press the sale of Canadian flour and wheat in the Chinese market.

Mr. YOUNG: Does the minister expect that China will pay largely with silver for the wheat he hopes to sell? Does he hope by some international action to increase the value of silver? If he should succeed in that, then would we not be forced to take just half as much silver in exchange for our wheat?

Mr. STEVENS: I have no desire to get into an academic discussion of obscure economics. In the first place I did not say that we were going to sell wheat for silver only.

Mr. YOUNG: I said "largely."

Mr. STEVENS: Or even largely.

[Mr. Gray.]

Mr. YOUNG: Will the minister take goods in exchange?

Mr. STEVENS: Yes, my free trade friend, we will take goods in exchange.

Mr. YOUNG: Will the minister let them come into Canada?

Mr. STEVENS: We will let as much come in as we require and as we are able to use intelligently.

Mr. CAYLEY: The hon. minister has intimated a possible increase in the trade with China in wheat and lumber. What will Canada purchase in return?

Mr. STEVENS: I will outline what we are buying.

An hon. MEMBER: Laundries.

An hon. MEMBER: Rattles for the hon. members over there.

Mr. YOUNG: We did not hear that remark.

Mr. STEVENS: First there are peanuts, which my hon. friend can put in his pocket and take to the zoo; we imported about $996,000 worth last year.

Mr. JACOBS: The minister told us that we must not treat this subject with levity.

Mr. STEVENS: I am talking about imports, not exports. Then a small quantity of vegetables, amounting to nineteen or twenty thousand dollars.

Mr. JACOBS: What about tea?

Mr. STEVENS: Strange to say, that item is not very large.

Mr. JACOBS: It comes from Ceylon and India.

Mr. STEVENS: We may have an opportunity to expand our trade in tea.

Mr. YOUNG: And take it away from the empire?

Mr. STEVENS: We could get it from Hongkong. The imports last year of this commodity amounted to 370,000 pounds, with a value of $63,000. Imports of oil for refining amounted to $138,000. There are a large number of items here, such as drugs, bones or ivory, dried fish, and $107,000 worth of undressed furs.

Mr. JACOBS: Those may be coming from Russia via China.

Mr. STEVENS: No, they come from China. When I was in China many years ago I saw some of the finest furs I have ever seen in any country in the world.

Mr. JACOBS: Were they on the animals when you saw them?

Mr. STEVENS: Yes, but on human animals. Here is an item which will interest my hon. friend—bristles.

Mr. JACOBS: I rise to a point of order.

Mr. STEVENS: Another item, manufactures of hair.

Mr. MOTHERWELL: That is for me.

Mr. STEVENS: No. Then cotton laces, cotton clothing, silk manufactures, a small quantity of furniture, manufactures of paper. This last item covers that fine paper usually termed India paper. There are small items covering books and printed matter, drugs and medicinal preparations.

Mr. JACOBS: Does that include opium?

Mr. STEVENS: No, the item is too small for that. I am afraid that most of the opium comes in through the underground route.

Sir EUGENE FISET: Ginseng.

Mr. STEVENS: The total imports made up of miscellaneous items amount to about $3,000,000.

Mr. HANBURY: What is the total value of the imports during the past five years?

Mr. STEVENS: I have not the information for the past five years, but for the past two years it has been about $3,000,000 per year.

Mr. HANBURY: And Canada expects to expand her trade in wheat and lumber?

Mr. STEVENS: For some years China has been in a very depressed economic condition, but we are convinced that she is now on the threshold of a renewed or stabilized economic life. That may not develop rapidly, but in my estimation China offers one of the finest virgin fields for the development of trade in the whole world.

Mr. JACOBS: That $3,000,000 compares with $50,000,000 of trade with Japan. Is that difference due to the fact that we have a minister in Japan and have not one in China?

Mr. STEVENS: I am afraid my hon. friend is out in his figures. The imports from Japan amounted to $12,000,000, not $50,000,000.

Mr. JACOBS: That is for last year?

Mr. STEVENS: Yes, for last year and the year before.

Mr. JACOBS: I understood our trade amounted to about $50,000,000.

Mr. STEVENS: My hon. friend is considerably astray.

Mr. SPEAKMAN: I have listened with much interest to this discussion on our export trade, and I appreciate the interest taken therein. For many years we have been looking eastward for a potential market, and we trust our hopes will be realized. The minister mentioned the diversion of British purchases of wheat from North America to other countries including the Argentine, and indicated as one possible reason the impression which had arisen in Great Britain that possibly we were holding up the price of wheat beyond what might be considered a reasonable figure.

Mr. STEVENS: I do not wish to be put in the wrong light; I was referring to the European importing countries rather than to Great Britain. I just want to make that correction.

Mr. SPEAKMAN: I apologize; I rather misunderstood. I was going to ask the minister whether the diversion—which we of course must recognize—of a part of the British purchases of wheat from Canada to the Argentine republic, was not due to the necessity on the part of Great Britain of buying more largely from those countries which could accept more largely her own goods in exchange. I am not now speaking politically at all; I am not even discussing the effect of political policies; I am simply suggesting something that has become an obvious fact. It is a much simpler matter to carry on international trade in a large way as between an industrial country and a country that is almost purely agricultural, than between two countries both of which are largely industrial. In the last thirteen years—and I am discussing this from the point of view not of political policy but of actual fact—we are finding that we do not offer the same opportunity for extended trade with industrial countries as we did thirty or forty years ago. Possibly the minister will agree that one difficulty in the way of our trade with Great Britain and one advantage which an almost purely agricultural country like the Argentine republic must enjoy, is the necessity on the part of Great Britain to purchase their goods in order that they may be able to purchase hers.

Mr. STEVENS: I am afraid I cannot agree with my hon. friend in his analysis. He has overlooked entirely two important factors in our trade with Great Britain. One is the interest we owe, which amounts, roughly speaking, to $100,000,000 a year.

Mr. SPEAKMAN: I appreciate that.

Mr. STEVENS: Then there is the amount, which I have estimated, in the best examination I could make of the figures, as being between $100,000,000 and $150,000,000 a year, that we are bound to pay Great Britain for carrying charges. Great Britain's excess of imports over exports, which has been so marked in many years, is largely due to the income she is receiving from carrying charges and interest. Taking the figures I have given, we should have an excess of exports to Great Britain over imports of approximately $250,000,000 a year to break even. Our trade with Britain, therefore, is on a more even basis than is generally admitted or understood. I believe our trade relations with Great Britain are on a very sound economic basis. We are hoping to improve them somewhat by the policy that we are following, which will no doubt be discussed when the budget is brought down.

Mr. SPEAKMAN: I do not want the minister to imagine for a moment that I did not take into account such items as interest charges and so on, which during past years have certainly helped out the balance of trade and made up the difference in that regard. But the fact remains that during the last two or three years there has been a great diversion of wheat purchases on the part of Great Britain from Canada to other countries, including the Argentine, and more lately Russia. There must be a reason. It may be the difference in price, but I still believe, although the minister does not agree with me, that another factor is the greater ease with which Great Britain can sell her goods in those countries which are not themselves very largely manufacturing the goods which Great Britain has to sell.

Mr. STEVENS: There were two main factors. One was the fact that Argentine money was at a discount of as much as 30 per cent. That was a very important factor. The other was this—and I do not want to harp on it—the British grain trade were tremendously hurt, whether rightly or wrongly I am not expressing an opinion, at the attitude of the grain trade of Canada in the fall of 1929. I had meetings with the corn exchange of London seeking to iron this out. We had representatives meet them and give them a clear statement of the western position, but I doubt whether it made a great impression on their minds or immediately removed the prejudice. With the change, however, that has been brought about in the last three or four months, there is a marked difference in British corn circles, if I might so describe them, towards Canada, and I think a marked improvement in the attitude towards the Canadian grain trade.

Mr. SPEAKMAN: Is there a marked improvement in the proportion of Canadian grain purchased?

Mr. STEVENS: Yes. I think the whole situation is likely to be corrected.

Mr. SPEAKMAN: Even with the Russian wheat purchases, which are growing very rapidly?

Mr. STEVENS: Yes.

Mr. HANBURY: By "carrying charges" I presume the minister means transportation and insurance?

Mr. STEVENS: Services generally.

Mr. HANBURY: The minister stated that the grain trade in Great Britain in the fall of 1929 rather resented what they felt was being done to them by the grain trade of Canada—

Mr. STEVENS: And the United States.

Mr. HANBURY: I would ask the minister whether the grain trade in Great Britain did not change their attitude and feel very grateful to the Canadian people following the bringing down of the Dunning Budget?

Mr. STEVENS: I should not like to be asked to give an endorsation of the Dunning budget.

Mr. HANBURY: The minister referred to the attitude, at one particular period, of the British buyer toward the Canadian grain trade.

Mr. STEVENS: I shall answer my hon. friend, and I do it reluctantly. The time I speak of was the months of October and November.

Mr. HANBURY: 1929?

Mr. STEVENS: 1930; last year when I was there.

Mr. HANBURY: The minister referred to 1929 when he was speaking of the date at which they took exception to our methods.

Mr. STEVENS: Yes, and the Dunning budget came down in May, 1930. I was overseas in October and November, 1930.

Mr. MACKENZIE KING: After the general election.

Mr. STEVENS: Yes, and after the Dunning budget.

Mr. YOUNG: And after the tariff was raised.

Mr. STEVENS: I found just what I stated, but I never intimated that the Dunning budget had any influence one way or the other. The point I was making was that rightly or wrongly the impression was abroad that the Canadian and United States grain interests as a whole had not dealt fairly with the purchasing countries of Europe. That was the impression. I do not wish to be misrepresented in this. I took to a conference highly representative men of western Canada and I thought they made a most excellent presentation of their case; but I say again that I doubt whether it made any impression in the way of removing the prejudice from the corn exchange of London, Liverpool and other centres. I say that regretfully, but that was the fact and that was a very important factor in the falling off of purchases of Canadian grain on the European market.

But there has been a change in that situation. The grain trade of western Canada has changed its policy in regard to marketing in Europe and Great Britain, and that has been followed without question by a very much better feeling over there. I think happily the former splendid relations will be restored.

Mr. MOTHERWELL: With Mr. MacFarlane in charge of the selling, selling the grain at anything he can get for it, shooting it over as fast as they will accept it, of course one would expect they would be feeling better about the matter. But it was only by a departure from the original policy of the pool that that was accomplished. They were trying to get as directly as possible in touch with the consumer and cutting out as far as possible the middleman—quite a commendable attitude for them to take in view of their cooperative character. But now it is under the administration of a regular grain trade salesman and a very good man. I am not criticizing him. An entirely new order has been introduced and of course more wheat is being sold, but at what price?

Mr. VALLANCE: Are we to understand it was because of the negotiations that were made during the Imperial conference by those who were taken over in the interests of the grain trade that the entire sales policy was changed?

Mr. STEVENS: I cannot speak for the change in the policy of the pool.

Mr. CAMPBELL: During the last few months I have been reading articles in the newspapers about an arrangement supposed to have been made between the minister and the Prime Minister of South Africa while they were in London attending the Imperial conference. The story carried in the newspapers was that this involved an enormous importation of manganese from South Africa, and the sale of large quantities of Canadian lumber to South Africa. The manganese, according to the papers, was to be refined in a refinery to be built in Montreal, and then shipped to the United States. I Wonder if the minister could tell us anything about that arrangement.

Mr. STEVENS: It is a question just how far one is justified in discussing a subject which is substantially a matter of private business and private enterprise. The department, so long as I am the head of it, is prepared to lend every assistance and cooperation to any Canadian industry in the extension of its trade and business; but in order to do that, I confess, one should be very careful in what one says in regard to any negotiations that may be carried on. There has been a certain amount of publicity with respect to this matter, however, and it may not be out of place to make a brief statement.

While I was in England I was approached by certain Canadians and asked if I could assist them in getting contact with those who might supply them with manganese ore. I took the matter up with the colonial office and secured a direct contact between these Canadians and east South Africa, where the manganese ore is located. The contact was made, and out of that has grown a proposal which it is hoped will be successful. I question very much the advisability of premature publicity, but what was in mind was the establishment of a large plant near Montreal which would refine from one hundred thousand to two hundred thousand tons of manganese ore a year. That would mean the bringing in of that much ore from east South Africa each year. We then explored the possibility of return cargoes. Our South African trade at the present time is rather one-sided, we shipping much more to South Africa than we get in return. We are improving that, though, by taking sugar and some other articles which they are now producing successfully. If this manganese business develops, the situation will be reversed, and we would have empty space on the

return trip to South Africa. I then took up the question of lumber as a return cargo, and we are still working on that phase. It would have to be lumber from eastern Canada, because we are already shipping the heavy types of lumber from western Canada; that is a direct line. It is hoped that we can find lumber in eastern Canada which will be able to compete with Swedish, Norwegian and other classes of lumber. I would not care to say anything more than that. The matter is going ahead, and so far as my department is concerned, it is rendering every assistance possible in the development of this trade.

Mr. REID: A few moments ago the minister spoke of our grain trade with China as compared with Australia's. Is it not a fact that for the past number of years Australia has done a greater trade in grain and flour with China than Canada has? Was not that the case even before Australian money was at such a discount as it is to-day. I was wondering what method the minister intended to pursue to increase our trade in grain and flour with China in competition with Australia, all things being equal. My information is that for a number of years past Australia has always done a greater trade in grain and flour in China than we have.

Mr. STEVENS: I have not the Australian export and import figures under my hand. I have said two or three times already that the Australians certainly got a large share of the China grain trade this year, due to the heavy discount to which Australia exchange is subjected at this time. As to the methods, I have been trying to explain as well as I could for the last hour what we are trying to do. We shall follow our usual method in dealing with this matter, use our trade commissioners' offices and render to Canadian exporters every possible assistance.

Mr. RINFRET: A few minutes ago the name of the Hon. Mr. Marler was mentioned, and the minister stated that his mission in the orient was rather of a diplomatic character than that of a trade commissioner. I have now before me a copy of the Montreal Daily Star of this date, Thursday, May 14, which contains an interview given by the Hon. Mr. Marler in Victoria, either on board ship or shortly after his arrival ashore. If the minister has read that interview he must have found out for himself that Mr. Marler, according to his own representations, acted very much in the capacity of a trade commissioner during his mission in China.

[Mr. Stevens.]

Mr. STEVENS: I said he was acting in both capacities.

Mr. RINFRET: But I think the minister added that he would report to the Prime Minister on his return and until that was done the minister did not think he would have anything to tell the committee about Mr. Marler's mission. Mr. Marler's mission apparently being largely of a commercial and trade character, I would regret very much if it had been conducted without any contract with the Department of Trade and Commerce. The Prime Minister already has a kind of monopoly of portfolios in this government. He is not only Prime Minister, but Finance minister, Secretary of State for External Affairs, and for a time he was Acting Minister of Labour. I hope that in addition to all that he has not taken a slice out of the department of my hon. friend, because I think my hon. friend will prove to be a good minister, as good a minister as may come from the ranks of his own party. I therefore hope that he will make sure that he keeps complete control of his own department.

Mr. STEVENS: I can assure my hon. friend that the Prime Minister in all his relations with his ministers acts in the most courteous manner. I would also say this: I do not know of anyone that I would rather have cooperating with me in matters of this character than the present Prime Minister of Canada. My reference to Mr. Marler was simply this, and I think it is quite proper: Mr. Marler is the representative of this government to the government of Japan. He is in direct contact with Prime Minister of Canada, and I have no right, except through the proper channels, to discuss matters with Mr. Marler. We have our own trade agents in China and Japan, and they cooperate with Mr. Marler and have done so through all his term of office. There are the most cordial relations between my department and Mr. Marler in the orient, but he does not report to me, and I think it is a little unfair to ask me to discuss Mr. Marler's mission to China because I feel that it is a matter that should wait until his return. The Prime Minister will undoubtedly wish to talk personally with Mr. Marler following upon any report that may have been received. It is a matter—shall I say?—of common sense to let the matter rest until Mr. Marler returns.

Mr. RINFRET: But what would happen if Mr. Marler's report to the Prime Minister conflicted with the report of the minister's agents in China or Japan?

Mr. STEVENS: No conflict whatever.

Mr. RINFRET: The minister says they would not conflict; how does he know?

Mr. STEVENS: I know that the trade commissioner in Tokyo from our department is Mr. Marler's special secretary. There is a most cordial relationship between them. However, Mr. Marler has wider duties than merely reporting to the Department of Trade and Commerce. He represents the Canadian government in Tokyo.

Mr. MOTHERWELL: I am interested in the debased or discounted currency of Australia, and the fact that through the use of such currency Australia has been able to negotiate trade with China better than if her pound was at par. My hon. friend from Macleod has been preaching the doctrine of depreciated coinage, and I did not take much stock in his remarks. I do not like the thought of Canada's currency being debased. We have been proud to think that our currency has remained at par. However, we are told that Australia with her currency reduced in value to the extent of 25 per cent can sell wheat better in the interests of the farmers than if her pound was at top notch. Would that work the same way in Canada? If our dollar were down to a 75 cent valuation would we be able to sell our wheat to better advantage in the markets of the world than we are selling it at the present time? If we could I am willing to consider the advantage of such a condition.

Mr. STEVENS: Before the hon. member decides definitely that he would be willing to welcome a drop in the value of the Canadian dollar to 75 cents he had better ask himself what he could buy with that depreciated dollar.

Mr. MOTHERWELL: That is the point. When we come to buy we have a horse of a different colour, have we not?

Mr. STEVENS: Yes, it is a piebald horse then.

Mr. MOTHERWELL: Where do we stand then in regard to that question? Do the advantages overcome the disadvantages, or the contrary?

Mr. HANBURY: During the past year the Conservative party, through its chief spokesman and also through the present Minister of Trade and Commerce, made the statement to the country on many occasions that after they were elected to power they would cancel the trade treaties which were entered into by the Liberal government. Have any changes been made in any of the trade treaties?

Mr. STEVENS: None, other than the present negotiations being carried on with Australia, and the cancellation of the New Zealand order in council. The whole question of trade treaties will be considered during the coming year. It is a large question affecting some twenty treaties. There are very complex and difficult features in connection with it which I think my right hon. friend and other gentlemen opposite who were ministers in the previous government will recognize. There is no disposition on the part of the government to deal rashly or recklessly with these treaties. However, there must be certain readjustments. At this time I should not care to enter into a discussion of the matter which has been brought up by my hon. friend; the treaties are still in existence, and I think it desirable that the matter should not be discussed until actual proposals are brought forward suggesting possible amendments.

Mr. HANBURY: The minister has stated that he would not like rashly to discuss these treaties. Surely when the Conservative party promised that they were going to cancel all these treaties they must have had full knowledge of what the treaties contained and what they hoped to do by their cancellation. Under those circumstances I cannot understand why it should take a year and a half or two years after the government assumes office to correct a situation of which they were fully aware when they made the statement.

Mr. STEVENS: It will take considerable time.

Mr. HANBURY: When the Conservative party were telling how quickly they would cancel the treaties they did not say that it would take a considerable time to do it. The impression I received from hearing their statements was that we needed only to select a Conservative government and our treaties would be cancelled immediately. As a resident of British Columbia the question whether the Minister of Trade and Commerce would permit the Australian treaty to be cancelled gave me a good deal of worry. I must say I was much relieved when I learned that the present Prime Minister had included the present Minister of Trade and Commerce in his cabinet; I felt that there would be some protection for the Australian treaty. At the

same time however, if there are features about these treaties which require changing it would be well for the minister to explain each treaty to this house and to tell in what way it should be changed.

Mr. STEVENS: I do not think I could give such an explanation under the present item. There are twenty or thirty treaties largely centering around the French treaty. The matter of treaties is of a complex nature and certainly I would not wish to enter into a discussion of them at this time. I might remind my hon. friend however, that the present government was engaged in the Imperial conference last fall, and so far as I am concerned I have been occupied to the limit of my strength and have not had the time to deal with the matter.

Mr. HANBURY: I wish to assure the minister that I did not expect the treaties would be changed, and I do not anticipate they will be changed for a year or two. Like many other Canadians however, I resented the extravagant language used by the Conservative party during the election campaign when, among other things, they were discussing these treaties.

Mr. MACKENZIE KING: Before this item is carried I should like to obtain from the minister further particulars concerning the fiscal policy of the administration and its bearing upon the all-important matter of Canada's trade. If hon. members on this side have a wrong conception of the government's policy I for one would like to be corrected. It seems to me that the fiscal policy of the government as announced is a policy of restriction of trade. The department over which my hon. friend presides is one concerned largely with the extension of Canadian trade. The item we are now discussing is one relating to the intelligence service, to Canada's trade representatives in different parts of the world. If the fiscal policy of the government cuts athwart all that my right hon. friend is seeking to do in the way of the extension of trade through commercial agents and commercial representatives in different countries, it seems to me that this item might as well be cut out or reduced. If we on this side have misunderstood the policy of the government let us be corrected. I shall state what I understand to be the government's policy in the matter of trade and if I am wrong I would like to be corrected.

In the first place, during the general election campaign in this country and at the Imperial conference in Great Britain, the Prime Minister stated that his policy was Canada first. Canada first is a slogan, and as such it may mean one thing or it may mean another and quite a different thing. As a slogan it may have one meaning or one value politically and quite another economically, as for example in its consequences upon trade and revenue. When I asked my hon. friend the minister in charge of the estimates what was meant by the term "Canada first" he replied in an offhand way: "It means that Canadian interests stand first in the attention of the government." That statement is equally true as the objective and purpose of any and every party which has held power in Canada. My right hon. friend will not say that his political opponents have not the interest of Canada as much at heart as he has. They may have a different point of view as to policies which will further those interests, but I think my right hon. friend would frankly admit that Canadian interests have always been the chief concern of the ministry of the day, no matter which of the old political parties may have been in power. The real significance of a slogan from a national point of view lies in the meaning to be attached to it not as a slogan which may have a general meaning, but as representing a concrete proposal, and I think in this connection the Prime Minister has been straightforward in his statement of what the "Canada first" slogan means. The Prime Minister says:

> "Canada first," means adequate protection of Canadian industry, both agricultural and industrial.

That is the definition which he gave in Great Britain at the time of the Imperial conference. The question arises: what is adequate protection? There again the Prime Minister was equally definite when, in effect, he said:

> Protection sufficient to save from the effects of competition from abroad those products or those articles which we can produce or manufacture in Canada.

In a word, it is the making of Canada into an economic unit,—a self-sufficient economic unit. That is the theory of the present administration, as I understand its policies. That may be an excellent thing, although I do not believe it can be done, and I believe if it were done, it would be a mistake. Similarly, going a step further, I think the administration have in mind making out of the British Empire a so-called imperial economic unit. This they believe would be a good thing. I think even were it capable of achievement it would be a mistake from the point of view of what would be in the best interests of all concerned.

Let us see if we are agreed as to what are the policies. As I say, in the first instance, the policy of the administration is adequate protection in order to make Canada an economic unit, and that is to be done by so restricting trade that commodities shall not come into Canada from other countries when we are capable of producing or manufacturing them ourselves. The minister says, "We can do our best at producing and manufacturing, but still some things will have to come in," and I assume—rightly I presume—that the first part of the world from which my hon. friend would admit commodities, where they are to be admitted at all, would be the other parts of the British Empire. That at all events was the statement made at the Imperial conference. The Prime Minister in that connection again was specific and direct at the conference. He said, "We will admit your goods into Canada on a preferential basis. You must subscribe to the principle of reciprocal preferences, but this principle of reciprocal preferences as applied to the empire shall be based in the first instance upon this idea of adequate protection which is held by the Canadian government. We will make an imperial preference by adding ten per cent to our existing tariff. You must do the same thing; you must have a protective tariff and as against the rest of the world add to it ten per cent, and in virtue of the relatively lower rate thus effected within the empire such trade will flow as comes on a reciprocal basis."

This means, from the point of view of hon. gentlemen opposite, three barriers, strata or layers, so to speak, over which trade may flow or come into Canada. In the first instance, in the creation of Canada as an economic unit, there is protection of existing industries by tariffs adequate to permit of our producing and manufacturing here all that can be manufactured or produced in this country. Then we will admit into Canada from other parts of the empire, over that tariff, on a reciprocal basis founded on tariffs, such goods as may flow in here, but we will keep them out from other parts of the world by a ten per cent or some other increase in tariff as against those other parts. Before this point is reached I think we will have come to a place where trade from any other source is hardly likely to come to Canada at all.

That is my understanding of the policy of this government. If that is not a correct understanding I should like to be corrected, because I do not want to misrepresent hon. members opposite. If that is a correct statement, I say that policy is making for the restriction rather than the expansion of trade; it renders practically nugatory the work of commercial agents and trade representatives in other parts of the world. Only yesterday we had an interesting address by the right hon. member for Argenteuil with regard to his recent visit to the Argentine and other South American countries. I listened to hear him say whether or not he had expressed to one of those countries wherein Canada's trade policies would facilitate their trade with this country, would assist in the exchange of goods between the two countries, but he said nothing on that point. I do not see how he could say anything of advantage while the policy of the administration is what it is at present. If I am wrong in my statement of the fiscal policy of this administration perhaps my hon. friend would correct me, but if I am right I think what I say is true, that despite the efforts of my hon. friend to increase trade—and I am sure he wishes to do that—he will be frustrated from the very beginning to the close by the fiscal policy of the administration of which he is a member.

Mr. STEVENS: As I said about an hour ago, when the right hon. gentleman made a similar statement, I do not think he can expect us to accept his analysis of our policy. I do not wish to go into it at the moment—

Mr. MACKENZIE KING: Give me your interpretation.

Mr. STEVENS: My right hon. friend said, for instance, that our policy virtually shut out trade. He may interpret it in that way if he so chooses, but that is not our view of the situation at all. Then the right hon. gentleman asked for a declaration of the principles of the government in connection with trade. Would not that come more properly from the lips of the Prime Minister when he delivers his budget speech, in the course of the next few days?

It is well known that this party stands for protection, in the generally accepted meaning of that word. It is well known that we stand for the development of Canada industrially and for the utilization of our resources to the greatest possible advantage. These things are well known. The right hon. gentleman and his colleagues have argued this matter with hon. members on this side, to my own knowledge and participation, for at least twenty years. I do not want to say that we never could get together, but generally speaking we have agreed to disagree on our interpretation of what these things mean. But the country has decided that question; we have been placed here for the purpose

of carrying out the policies which the country understood us to enunciate, and we are trying to carry them out.

My right hon. friend is quite correct in saying that we are anxious to develop trade within the empire. We are bending our efforts in that direction. I may say that we are hoping that the trade arrangement with Australia may be closed in the very near future. Really the cause of the delay has been the disturbed economic and political conditions in that country. These have had nothing to do with us directly, but undoubtedly they have embarrassed the government of Australia somewhat in determining this matter. We hope it may be decided in the near future, and the trade agreement placed before this house for its approval. We hope also to work out a satisfactory agreement with New Zealand, something we never had before. We simply extended to that country by order in council certain relationships which existed with other countries, but we are working on that matter now. The same thing applies to South Africa. We really have expectations of improving trade relations between this Dominion and the rest of the empire, to the advantage of all concerned.

At this time I do not wish to enter into a discussion of the fiscal policy of the country, which comes more properly on the budget debate.

Mr. MACKENZIE KING: I do not wish to get into a discussion of fiscal policy, but certainly I do think that on an item dealing with trade and commerce and relating to commercial agencies in different parts of the world it is not only appropriate but obviously desirable to attempt to discover how far the fiscal policy of the government is operating either to improve or to injure conditions of trade. My hon. friend has spoken about what the government hope to do with regard to South Africa, New Zealand and Australia. He has said nothing about trade with Great Britain. Within the last couple of days we have had in this city a trade mission from Great Britain, consisting of three gentlemen who have been speaking their minds pretty openly with regard to the effect of the government's policy on trade between Canada and Great Britain. My hon. friend will not say that is a subject which we should not discuss at this moment. It bears on this very question of trade.

What is the fact in regard to the policies of this government and how they operate? Last year, before the Imperial conference, hon. gentlemen opposite virtually wiped out the British preference by increasing the tariff against Great Britain. I do not think they had any mandate from the people to do so. Apparently they took this action on the theory that they were going to make of Canada an economic unit, whether that unit bore relation to foreign countries or to other nations within the empire. Under that theory they made it as difficult for the most part, for goods to come into Canada from Great Britain, as to come in from other parts of the world. The effect of that action has been materially to reduce the volume of trade between Great Britain and Canada. My hon. friend is now asking us to vote the same amount of money for commercial agencies in Great Britain as was voted under a previous administration, following a different policy. If the government persists in its present attitude towards Britain, and, with respect to goods of a kind manufactured or produced in this country, raises the duties to such an extent as to prohibit all importation of such goods from the mother country, then there is no need of trade representatives there at all, and we might as well decide to give up that trade altogether. We cannot trade without exchange of commodities. That is the point I wish to emphasize now, for it is a very vital one. The Prime Minister has been most explicit in his statements. I know that my hon. friend would prefer to indulge in generalities and to skirt around the outside of the subject. But the Prime Minister has put his intentions in the form of a proposition comprising very distinct and self-evident statements, and each of those statements, it seems to me, must be debated on its merit.

If I am wrong, I wish my hon. friend to correct me. But as I understand it, the policy called Canada first means "adequate protection". It does not mean having at heart the interests of Canada or anything of that sort. As a slogan it is Canada first, and as an economic or fiscal policy it is a concrete proposal or principle synonomous with a system of adequate protection. Am I wrong in that? My hon. friend does not reply, and I assume his silence signifies assent. Adequate protection, then, is what is intended. The Prime Minister has said, "We will be the judge of what is adequate protection; and we intend, in judging what constitutes adequate protection, that nothing shall come into this country from abroad which can be produced or manufactured in Canada." Again I pause to have my hon. friend correct me if I am wrong. The Prime Minister goes further and says, "We want to trade with other parts of the empire, but we will not begin until we have attained for Canada the ends of adequate protection

at which we aim; and if other parts of the empire wish to trade with us they must follow our example in the matter of creating protective tariffs. And we will increase by ten per cent, or whatever percentage is necessary, the duties against foreign countries to make it still more difficult for trade to come in from foreign countries; such trade as on a reciprocal basis thus established can flow in from within the empire may come in." That policy means a serious restriction of trade, and the country to-day is beginning to feel the very serious effects of it. It is not only crippling the trade of Canada but is also very vitally affecting the revenues of the country, as the Prime Minister himself, in his capacity of Minister of Finance, will make very apparent when he brings down his budget.

Mr. McMILLAN (Huron): This discussion has been very interesting to me and I have been indeed pleased to hear the Minister of Trade and Commerce, who has acquitted himself admirably in his very difficult situation. When he was explaining recently his conception of the trade policy of the present government, I happened to open Hansard of last September and I saw that the Prime Minister told us then very explicitly what the policy of this government was in that respect. He said:

> We propose therefore to provide that so far as may be reasonably possible the requirements of the 10,000,000 people living on the northern half of this continent shall be provided by Canadian producers.

There is no equivocation in connection with that policy. Anyone who can read plain English ought to know what it means. It means that he is going to exclude from Canada any goods that we are capable of producing in this country. In other words, they are going to try to sell goods to the world, without buying goods in return. Now, surely it is an economic principle which every reasonable individual should appreciate, that if we are going to sell goods we must be prepared to buy goods in return.

I think the statement which was made by the Prince of Wales at the opening of the exhibition at Buenos Aires was one from which we might learn a lesson. That statement is instructive to people in all sections of the British Empire and throughout the world at large. His Royal Highness said that the real objects of trade, the purpose of trade was the interchange of products. I do not need to tell this house a second time that I do not believe that the representatives of this government met with any degree of success in their mission to the old country when they attended the Imperial conference last fall. It is my candid opinion that the chief reason for their abject failure was that the Prime Minister and his colleagues seemed to have been convinced that we should not import from abroad goods which we can produce at home, and that the very idea of allowing Canadian industry to meet with competition was unacceptable to them. They did not believe that competition should be encouraged.

Now, Mr. Chairman, my experience in life in every particular convinces me that the spirit of competition, the spirit of healthy emulation, is the best thing for any nation or individual, if you wish to bring out the best that is in them. We see, on the other hand, what the policy of the present government is; and that policy being what it is, what is the use of spending $700,000 on trade missions to other countries? What is the use of such an expenditure when evidently the government does not wish to encourage reciprocal trade?

There is one other matter to which I should like to refer. The Prime Minister and his colleagues went to Great Britain, to attend the Imperial conference. The Minister of Trade and Commerce took a number of wide-awake officials with him, and we know they have broken down the entire sales service of the wheat pool. They have thrown the selling of wheat right into the hands of those who for years have been the determined competitors of the pool. If that is the best thing to do in the selling of our wheat, then I fail to see how the wheat pool is going to be able to pursue its business in the future as it has done in the past. I am not one of those who think that the wheat pool, those who had in hand the sale of our wheat, have never made mistakes. Nevertheless, I do think that the government is mistaken in its attitude. So far as western Canada is concerned, we know what has been the result of the establishment of the wheat pool and the work which they have done in the last few years. We know what was the situation of the grain growers in the west when they were at the mercy of the grain trade, and I cannot see how the action of the government in withdrawing the sales force which we have had, and placing the whole business of the grain trade in the hands of their competitors, will be of any benefit to the wheat pool in the west.

Mr. GRAY: Will the minister tell us what has been the decline in the trade of Canada for the month of April 1931, as compared with the month of April 1930?

Mr. STEVENS: The figures for April are not yet available.

Mr. McMILLAN (Huron): Perhaps the minister will permit me to give them. The figures for April, in imports, are $51,189,376 for 1931 as against $71,401,839 a year ago. The exports this year were $33,935,075, and last year, $50,744,139. The total trade for April of this year amounted to $85,863,487, and for April of a year ago, $123,910,008, a reduction in one single month amounting to $38,046,521.

Mr. CASGRAIN: The hon. member should take the place of the minister.

Mr. McMILLAN (Huron): For the seven months previous, September, October, November, December, January, February and March, the total reduction in trade, as compared with the same period one year ago, amounted to $396,700,947.

Mr. RINFRET: Apparently we have three ministers of trade and commerce, the Prime Minister, the minister whose estimates are now being considered, and the hon. member for South Huron.

Mr. HANBURY: The Canadian government merchant marine or the Canadian National Steamships have some very fine boats which they use during the summer season. We listened the other day with a great deal of interest to the right hon. member for Argenteuil (Sir George Perley) when he gave the house a description of his trip to South America, and I would suggest to the hon. minister that one of these boats, which are ordinarily tied up during the winter months, should be fitted up as a floating exhibition to visit the countries on the west coast of South America. I am sure many Canadian manufacturers would take advantage of an opportunity to exhibit their goods to probable purchasers in South American countries. During the winter these boats require a certain staff to look after them, and perhaps a small addition to the staff would enable them to be put in service.

I think the minister should consider the exchange of students with South American countries as well as with Japan and China. Much could be done in this way to encourage a feeling which would develop the trade of Canada with those countries.

Mr. STEVENS: I will take the first suggestion of my hon. friend into consideration. In regard to the second, I may say that we are working on that matter.

[Mr. Gray.]

Mr. CAYLEY: I understand that the trade commissioner in Egypt was the only new one appointed during the past year. What is our volume of trade with Egypt, and what are the prospects for increased business?

Mr. STEVENS: For some three or four years prior to this past year Mr. Lamontagne had been loaned by this government to the Egyptian government as an advisory expert in the preparation of a system of customs, and I can say that they were pleased with the services he rendered. Prior to that he had been located at Brussels, but it was thought advisable to appoint a commissioner in Egypt to look after the possible trade with that country, northern Africa, and the near east as far as Persia and Syria, which would include Palestine. Our trade with Egypt is not very large, amounting to about $145,000. It must be remembered that much of this trade is transhipped at London, and quite frequently the figures are not reflected in the returns. We are endeavouring to correct this discrepancy in our returns so that we will get credit for the imports from the country in which the goods originate and vice versa in connection with exports.

Mr. FRASER (Northumberland): The minister made a statement earlier in the evening relative to our trade balance with Great Britain, and mentioned that our favourable trade balance was offset by carrying charges, interest charges and insurance charges.

Mr. STEVENS: By service charges.

Mr. FRASER (Northumberland): Is it to be the policy of the department to figure invisible balances or just straight commodity or merchandise balances?

Mr. STEVENS: In making an estimate of trade one must take into account the invisible as well as the visible in the trade balances, that is that deal solely with trade, which will reflect only the trade figures.

Mr. FRASER (Northumberland): If that is followed in connection with one country, it should be followed in connection with all others, the United States, for instance.

Mr. ILSLEY: Has the minister received any representations with regard to the possibility of increasing our apple trade with Germany?

Mr. STEVENS: We have perhaps one of the finest trade commissioners in the service

in the person of Mr. Wilgress whose headquarters are at Hamburg. In addition, we have Mr. J. Forsyth Smith at London, who is one of the most able agents in his particular line, that of fruit. Unfortunately I have not the information at hand from which I could give my hon. friend a specific answer.

Mr. ILSLEY: Nova Scotia is increasing her trade in apples with the continent of Europe. Only a few years ago this trade was confined mostly to Great Britain, but during recent years larger quantities are being shipped to continental Europe. The trade commissioners of Canada have done a great deal to push this trade in Belgium, the Netherlands, Denmark and other Scandinavian countries. There is a large potential market in Germany, but it is almost impossible to sell apples in that country because the duty against American apples is only about one half the duty against our apples. During recent years, representing the largest apple growing constituency in eastern Canada, I have received many representations from the fruit growing interests asking that an attempt be made on the part of the Canadian government to better our trade relations with Germany.

Trade treaties have been mentioned this evening, but I am not so much interested in the cancellation or modification of existing treaties as I am in the attempt being made to negotiate new ones. One should be negotiated with Cuba in connection with potatoes, about which a great deal has been said this session, and another one with Germany with a view to facilitating the entry of our apples into that country. I do not know whether the Minister of Trade and Commerce is the minister to whom these representations should be made. Perhaps they should be made to the Minister of Finance, but certainly I wish to impress upon the government as emphatically and earnestly as I can the importance to Nova Scotia and particularly my part of it, of improving our trade relations with Germany.

Mr. STEVENS: I shall take note of what my hon. friend says.

Mr. DUFF: A few minutes ago the minister, speaking of the personnel of trade commissioners in different parts of the world, referred to the fact that the Civil Service Commission in the examinations made a point of the educational qualifications that were necessary. I notice he said nothing as to whether these men should have business training or qualifications. It is very important that men who go out into the world to negotiate with other countries for the sale of our goods, should have certain business training and know how to talk with business men in other countries.

I also notice that one of the trade commissioners has been appointed to Cuba and lives in Havana. As the hon. member for Hants-Kings said, it is most important especially at the present time that some trade arrangements be made with Cuba not only with regard to potatoes but also with regard to fish. Perhaps the minister can give the committee the figures, but I think I am correct in saying that more Canadian goods, especially fish and potatoes, are sold in Cuba than in any other island in the West Indies. If the minister looks up the returns for the last few months I think he will find that this trade in both potatoes and fish has dropped off considerably, due particularly to the fact that a short time ago the Cuban government, adopting no doubt a policy similar to that of the present government of this country, increased very largely the duties on fish and potatoes. This has crippled business, especially in Nova Scotia, New Brunswick and Prince Edward Island, with regard to both the potato trade and the fish trade. It is most important that something be done by the government to better these conditions. It is true, of course, that one of the ministers, the hon. member for Kings, was sent to Cuba a short time ago. Although he made a statement to the house a day or two ago, it was not a very definite statement and perhaps it was not the time that such a statement should be made with regard to what he was able to accomplish on his mission. I notice he said nothing with regard to the trade in Cuba for fish. That is a very important trade in the maritime provinces, and especially in the city of Halifax, the county which I represent and the county in which I live. Would the minister tell the committee if he receives reports from the different trade commissioners every month? I should like especially to know whether he has reports from the trade commissioner in Cuba for the last six months, whether they are monthly, fortnightly or weekly, and whether we can find from those reports what the commissioner says with regard to the falling off in trade in fish and potatoes in Cuba.

Mr. STEVENS: We have very full reports weekly from all our trade agents and these are published in the Commercial Intel-

ligence Journal. I think every member receives a copy regularly. They are widely distributed throughout Canada in business circles. I have not under my hand a special report from Cuba regarding the last few months to which my hon. friend refers. I have the figures for 1929 and 1930. In 1930 they were:

Exports	$4,245,000
Imports	3,500,000

Mr. DUFF: That is prior to the end of March this year.

Mr. STEVENS: Yes. The chief commodities were:

Potatoes	$2,081,000
Fish, dried, smoked and pickled	713,000

Then there are milk, condensed; newsprint and other items of that kind.

Mr. DUFF: Can the minister make a comparison with the previous year?

Mr. STEVENS: The figures are almost identical. They are as follows:

	1929	1930
Exports	$4,442,000	$4,245,000
Imports	4,900,000	3,500,000

Mr. DUFF: The figures just given by the minister for the two years do not show much difference, but if he looks up recent reports from the commissioner in Cuba I think he will find that, in view of the fact that this extra duty was not imposed until two months ago, the trade has been affected very considerably since then. Last week I received a report from my own office stating that shipments of fish to Cuba—and every fortnight a boat leaves from Halifax—had fallen off and that on the last two boats practically no fish had been shipped owing to this increase in duty. Perhaps the minister has not the information under his hand, but I should like to know whether his trade commissioner has made a report in regard to the serious situation which exists in connection with the trade from Nova Scotia of that particular item.

Mr. STEVENS: I shall check up and get that information. May I ask that after the rather full discussion to-day, this item should be allowed to pass? It is almost eleven o'clock.

Item agreed to.

Progress reported.

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

Friday, May 15, 1931

The house met at three o'clock.

COPYRIGHT ACT AMENDMENT

Hon. C. H. CAHAN (Secretary of State) presented the first report of the special committee to which was referred Bill No. 4 to amend the Copyright Act as follows:

Your Committee recommends that it be granted leave to print 400 copies in English and 150 copies in French of its proceedings and of the evidence to be taken by it, together with such papers and documents as may be incorporated with such evidence, for the use of the Committee and for the use of the members of this House; and that Standing Order 64 be suspended in relation thereto.

Your Committee further recommends that it be given leave to sit while the House is sitting.

Mr. CAHAN moved that the report be concurred in.

Motion agreed to.

COMMITTEE ON STANDING ORDERS

First report of the select standing committee on standing orders—Mr. Bury.

Mr. BURY moved that the report be concurred in.

Hon. ERNEST LAPOINTE (Quebec East): I should like the hon. gentleman to give some explanation so that we may know why this permission should be granted. I think in a matter of divorce, as I understand this to be, the rules of procedure should be strictly observed.

Mr. BURY: I may tell my hon. friend that the explanation given the committee was that it was impossible to locate the respondent in the case until May 4, when he was personally served. Therefore it was impossible to file the petition in time.

Mr. LAPOINTE: I think this motion should stand so that we may see for ourselves what is at the bottom of it.

Motion agreed to.

GENERAL ACT OF 1928

PACIFIC SETTLEMENT OF INTERNATIONAL DISPUTES —APPROVAL OF ACCESSION IN RESPECT TO CANADA

Right Hon. R. B. BENNETT (Prime Minister) moved:

That it is expedient that parliament do approve of the accession, in respect of Canada, to chapters I, II, III, and IV of the General Act of 1928 for the Pacific Settlement of International Disputes, subject to the following conditions:—

1. That the following disputes are excluded from the procedure described in the General Act, including the procedure of conciliation:

(i) Disputes arising prior to the accession, in respect of Canada, to the said General Act or relating to situations or facts prior to the said accession;

(ii) Disputes in regard to which the parties to the dispute have agreed or shall agree to have recourse to some other method of peaceful settlement;

(iii) Disputes between His Majesty's government in Canada and the government of any other member of the League of Nations which is a member of the British commonwealth of nations, all of which disputes shall be settled in such manner as the parties have agreed or shall agree;

(iv) Disputes concerning questions which by international law are solely within the domestic jurisdiction of states; and

(v) Disputes with any party to the General Act who is not a member of the League of Nations.

2. That His Majesty in respect of Canada reserves the right in relation to the disputes mentioned in article 17 of the General Act to require that the procedure described in chapter II of the said act shall be suspended in respect of any dispute which has been submitted to and is under consideration by the council of the League of Nations, provided that notice to suspend is given after the dispute has been submitted to the council and is given within ten days of the notification of the initiation of the procedure, and provided also that such suspension shall be limited to a period of twelve months or such longer period as may be agreed by the parties to the dispute or determined by a decision of all the members of the council others than the parties to the dispute.

3. (i) That, in the case of a dispute, not being a dispute mentioned in article 17 of the General Act, which is brought before the council of the League of Nations in accordance with the provisions of the covenant, the procedure described in chapter I of the General Act shall not be applied, and, if already commenced, shall be suspended, unless the council determines that the said procedure shall be adopted.

(ii) That in the case of such a dispute the procedure described in chapter III of the General Act shall not be applied unless the council has failed to effect a settlement of the dispute within twelve months from the date on which it was first submitted to the council, or, in a case where the procedure prescribed in chapter I has been adopted without producing an agreement between the parties, within six months from the termination of the work of the conciliation commission. The council may extend either of the above periods by a decision of all its members other than the parties to the dispute.

And that this house do approve of the same, subject to the said conditions.

He said: Mr. Speaker, I assume that hon. members of the house have had an opportunity of reading the General Act of 1928, which has been distributed through the distribution office. It will be observed that the motion, in terms, approves of the accession in respect of Canada to chapters 1, 2, 3 and 4 of the General Act of 1928. This act is called the General Act for the Pacific Settlement of International Disputes, and under that act the first methods to be applied are conciliatory methods, the first chapter being entitled "Conciliation." Article IV of that chapter provides that the commission of conciliation shall be composed as follows:

> The commission shall be composed of five members. The parties shall each nominate one commissioner, who may be chosen from among their respective nationals. The three other commissioners shall be appointed by agreement from among the nationals of third powers. These three commissioners must be of different nationalities and must not be habitually resident in the territory nor be in the service of the parties. The parties shall appoint the president of the commission from among them.

To the other provisions I will not refer, because I take it that hon. members are probably quite familiar with the general act itself.

Chapter 2 refers to the judicial settlement of disputes:

> All disputes with regard to which the parties are in conflict as to their respective rights shall, subject to any reservations which may be made under article 39, be submitted for decision to the Permanent Court of International Justice, unless the parties agree, in the manner hereinafter provided, to have resort to an arbitral tribunal.
>
> It is understood that the disputes referred to above include in particular those mentioned in article 36 of the statute of the Permanent Court of International Justice.

Article 39, which comes under the provisions of the General Act, refers to the reservations, which do not apply to those who accept the General Act. I do not think it necessary to take up the time of the house in reading them. So far I have dealt with chapter 2.

Chapter 3 deals with settlement by another method altogether—that is, by arbitration: first, conciliation; second, by course to the International Court of Justice; and third, by arbitration. Article 21 reads:

> Any dispute not of the kind referred to in article 17 which does not, within the month following the termination of the work of the conciliation commission provided for in chapter I, form the object of an agreement between the parties, shall, subject to such reservations as may be made under article 39, be brought before an arbitral tribunal which, unless the parties otherwise agree, shall be constituted in the manner set out below.

It is, perhaps, unnecessary to do more than observe that the tribunal shall consist of five members, each of the parties nominating one member, who may be chosen from among their respective nationals. The two other arbitrators and the chairman are to be chosen.

by common agreement, from among the nationals of third powers—very much like the provisions with respect to commissions for conciliation.

Chapter 4 deals with the general provisions of the act itself. I do not think it necessary to refer to the articles of that chapter, because it will be observed that the resolution provides that it is expedient for Canada to approve of the accession to chapters 1, 2, 3 and 4 of the act. Then follow the provisions, in the resolution, with respect to the exceptions from the operation of the act. These are important. May I direct the attention of the house to them:

1. That the following disputes are excluded from the procedure described in the General Act, including the procedure of conciliation:

(i) Disputes arising prior to the accession, in respect of Canada, to the said General Act or relating to situations or facts prior to the said accession.

That is a reasonable provision inserted by the governments of Great Britain, Australia and Canada, for it takes out of the operation of the General Act, the settlement either by way of conciliation, by recourse to the courts, or by arbitration, of such disputes as arose prior to the accession of this country to the General Act or relating to situations or facts prior to such accession.

(ii) Disputes in regard to which the parties to the dispute have agreed or shall agree to have recourse to some other method of peaceful settlement.

It frequently happens, for instance, that methods may be devised by countries for the settlement of disputes peacefully, which would take such disputes out of the operation of this act. In other words, we will rely upon this act with respect to the matters which we have agreed to settle peacefully. Then:

(iii) Disputes between His Majesty's government in Canada and the government of any other member of the League of Nations which is a member of the British commonwealth of nations, all of which disputes shall be settled in such manner as the parties have agreed or shall agree.

That, of course, is a much wider question. It has been felt that members of the same family should settle their differences, if any, by recourse to methods entirely different from the methods that would be adopted for the purpose of settling differences between a member of the family and strangers. Discussions have taken place from time to time as to the method by which a court could be constituted within the empire for the settlement of empire differences. This provides that members of the commonwealth of nations known as the British Empire, who are members of the League of Nations, shall not have recourse to the provisions of the General Act for the settlement of any disputes or differences that may arise between them.

Mr. WOODSWORTH: How would that affect India?

Mr. BENNETT: As India is now constituted, it clearly provided that India's case would not be settled by recourse to the provisions of the General Act, if, for example, they had any dispute with us or with South Africa or Australia or New Zealand.

Mr. WOODSWORTH: India is a member of the league.

Mr. BENNETT: Yes, India is a member of the league; that is the reason. India is a part of the British commonwealth of nations and is also a member of the League of Nations. Therefore disputes arising between two parts of the British Empire, which are members of the League of Nations, will not be settled under the provisions of the General Act, but by some other method which has been or which may hereafter be agreed upon.

It is not necessary at this time to discuss in this chamber the question as to the establishment of some empire tribunal for the settlement of differences of that kind. Suffice it to say that discussions have gone on now for a period of some ten years, and those discussions are still going forward. Personally I look for the establishment some day of a tribunal that may be agreed upon, so that in the event of there being differences they may be settled by recourse to that tribunal and not to some tribunal outside of the empire itself.

(iv) Disputes concerning questions which by international law are solely within the domestic jurisdiction of states.

That, it is needless to say, is a very important reservation. International law recognizes the rights of a state to settle certain domestic problems without having to arbitrate them or to yield to conciliation from without, or by recourse to the decisions of any tribunal, whatever it may be. The other evening we had some slight indication of what might be involved. International law does not countenance the idea that a sovereign state may have to listen to another sovereign state indicate how that state shall settle its domestic problems. We may, if we have agreed so to do, make arrangements by which we offer our services; and frequently in diplomacy we know that states have offered their good offices for the purpose of bringing about adjustments. But international law recog-

nizes that there are certain matters of a domestic nature which should not be regarded as a subject for discusison before tribunals set up, for instance, under the provisions of an agreement such as this.

Mr. WOODSWORTH: Do I understand the Prime Minister to say that such a question as we had under consideration the other evening, with respect to the Ukrainian problem in Poland, would be precluded from consideration under these provisions?

Mr. BENNETT: My hon. friend has not followed me. By international law it is not competent for a sovereign state to interfere with the domestic business of any other sovereign state, unless there is an agreement permitting it to be done. I did not allude to the matter under discussion the other evening in order to illustrate my point, because both parties are members of the League of Nations. I was dealing with what would happen if they were not members of the league and had not agreed to settle their disputes in certain ways. The very recognition of the existence of a national community involves the right of that national community to carry on its own domestic business in a manner which is acceptable to the majority of the people within the area constituting that national. It is true that by international agreements such rights have to some extent been settled during the years. But those hon. members of this house who recall the cablegram which the then German emperor sent to President Kruger, with its repercussions, and who also recall the discussions in the House of Commons when Sir Austen Chamberlain and the chancellor of the German empire began at long range a discussion which ended in rather acrimonious observations being made by both, will realize that the general principle of international law is that there is no right in one country to interfere in the domestic business of another unless it be that by agreement that other country has afforded the opportunity for such action being taken. It has been a constant practice in diplomacy, almost crystallized into a recognized procedure under international law, for disinterested states to offer their good offices for the purpose of arriving at adjustments which might prevent near revolutions, but not to interfere in the domestic affairs of any given country. This reservation is prepared for the purpose of recognizing the general principles of international law, the non-interference by outside communities in the domestic concerns of this country or any other country that may be a party to the act.

The next dispute excluded is No. 5, which reads:

(v) Disputes with any party to the General Act who is not a member of the League of Nations.

That reservation was inserted in the accession resolutions of Great Britain and Australia and is now being submitted to this house because it is felt that disputes as between two communities, one being a member of the League of Nations and the other is not, should not be subject compulsorily to determination and settlement by recourse to the provisions of the General Act itself. Those reservations, as I say, were inserted by a general agreement between the governments of Great Britain, Canada and Australia. When the matter came before the British House of Commons on March 9 of this year the foreign secretary moved a resolution approving of the accession of Great Britain to the General Act. Sir Austen Chamberlain moved an amendment against acceptance on the ground that it diminished the authority of the council of the league and constituted a procedure tending to encourage international disputes. The matter was discussed by some very eminent members of the House of Commons, such as Sir Rennell Rodd and Major Hills, and others, who emphasized that ground and contended that the provisions for arbitration where no rule of law exists, practically gave five men power to legislate on what were distinctly political matters. I need hardly say to this house that one of the great difficulties in arriving at peaceful settlements between countries by recourse to arbitration or other methods of similar character, whether it be conciliatory or judicial, has been the unwillingness of sovereign communities to submit political differences to the judgment of any arbitration tribunal. One might say in the broad and general way and without exaggeration, that in the main that difficulty is what has brought on war, the unwillingness of communities to submit political questions to the determination of an arbitration tribunal however eminent it may be.

It will be recalled that before the war the Bryan treaties for arbitration were approved by the United States Senate, and I think one was approved by this house and adopted by Great Britain, but in general there has been the difficulty in having nations believe that political matters should be settled by recourse to arbitration because it was feared that there would be interference with what they conceived to be the right to settle their own disputes in the way they thought best.

The records will show that some of the Labour members of the British House of Commons objected to the extensive character of the reservations, particularly that one which excluded signatories who were not members of the League of Nations. However, Sir Herbert Samuel, Sir Donald Maclean, Mrs. Manning, Mr. Noel-Baker, and others contended that the General Act did not supersede the work of the council, but merely supplemented it where experience had shown it could not reach finality. They urged that the reservations safeguarded the points as to which the greatest uncertainty might arise until such time as additional experience could be obtained as to how far they were necessary, and pointed out finally that accession at the present time would extend only until 1934, when additional reservations could be made or present reservations could be reduced in the light of intervening experience. That is a fair precis of the attitude taken in the House of Commons in England with respect to this matter when it was under discussion.

The British house voted down the amendment of Sir Austen Chamberlain. The resolution of the assembly of September 26, 1928, does not seem to have been referred to although, in my judgment, it would seem to dispose of Sir Austen Chamberlain's argument. That resolution reads as follows:

> The assembly invite all states to accept arbitral decisions for the settlement of all disputes either by becoming parties to the annexed General Act or by concluding conventions with individual states. For the same purpose, they specifically declare that undertakings such as the General Act are not to be interpreted as restricting the duty of the League of Nations to take at any time whatever action may be deemed wise and effectual to safeguard the peace of the world, or as impeding its intervention in virtue of articles 15 and 17 of the covenant where a dispute cannot be submitted to arbitral or judicial procedure, or cannot be settled by such procedure, or where the conciliation proceedings have failed.

That resolution declares the principles and purposes of the league with respect to this act. If the act is read in the light of that declaration and of the reservations which, after all, are reservations which this or any other country would be expected to adopt in the light of our present practice and knowledge of international affairs, there should be no difficulty in this house giving its accession to this General Act.

This act is not preceded by a protocol. As all hon. members who have looked at it will have observed, it is signed by the president of the ninth ordinary session of the assembly of the League of Nations and by the secretary-general, and communities who were members of the league were invited to indicate their accession to it by appropriate resolutions by their legislative bodies charged with responsibility in the premises. In our case, that is the Commons House of Parliament and the Senate House of Parliament, and the resolution which is now being submitted for the consideration of this house seeks the approval of Canada's giving her accession to this General Act. I doubt not that most hon. members observed the other day that the French republic adopted this General Act with certain reservations, which I am bound to say I have been unable to secure at the moment. There are a considerable number of them and if my general information is accurate, one is somewhat more extensive in its operations than any of the reservations contained in the submission to-day. Mr. Briand, the foreign secretary, indicated his intention of himself depositing at Geneva the accession of the republic of France, he considering it to be a matter of very considerable importance in the preservation of the peace of the world.

We have now the following safeguards of peace: the covenant of the League of Nations, the Kellogg-Briand pact, a declaration against war as an instrument of national policy, arbitration treaties, and before the war we had the court at the Hague. We now have our permanent Court of International Justice.

This resolution is one asking the House of Commons of Canada to approve of the Dominion acceding to the provisions of the General Act, with the reservations indicated, believing that it is one step more towards the pacific settlement of international disputes. I do not intend to dwell upon the desirability of that and one of our most eminent historians has pointed out that the very existence of democracies is opened to the maintenance of militarism. As to that I think there can be no question, and while I am hopeful, I am not so hopeful of the future as not to realize that, human nature being what it is, as long as armaments are made and nations invest money in them, just so long will there be danger of a spark creating the explosion that will result in war. The other evening, just by accident, I picked up an old magazine, and I observed there a translation by Dryden of a poem by Lucretius. It was an appeal for peace 2,000 years ago. I could not but reflect that after 2,000 years mankind is still striving for peace, still endeavouring by pacific methods to make our civilization respond to the demands we

make upon it, realizing and recognizing that war is waste: that it cannot in any sense be approved as an instrument of national policy, and that we at this time are paying the penalty that all the nations of the world are paying for the wastage of men, material and money that took place from 1914 to 1919. Under such circumstances I should think there would be little difficulty in this new democracy giving its accession to a method of settlement of differences that, happily, I think, will not arise in our time between this and other countries, for we ourselves have made provisions for the settlement of our difficulties on the American continent to a large extent by the international treaty which we made in 1908. Happily, I say, if we have differences, they will be composed by resort to conciliation, or to the courts that may be established to ensure the great principles of international law are more firmly asserted and more clearly understood with the lapse of time, or by arbitration when that becomes the last resort to which men may appeal for the settlement of differences between their country and another. I commend the approval of the accession of this General Act to the favourable consideration of the house.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I welcome this resolution as a new move in the organization for peace, as a new link in the chain of the machinery to secure the prevention of war. After the foundation of the League of Nations and the various instruments and agencies which were established for discussion and conciliation, the Prime Minister (Mr. Bennett) has said that the most important step was the creation of the world court. But only justiciable disputes, and even at that, only a certain category of justiciable disputes, could be submitted to that court. In 1928 came the treaty of Paris, ordinarily called the Kellogg pact, by which Canada with most of the other nations of the world agreed to outlaw war, and took the pledge to see to it that every difficulty between our country and the others should be settled by pacific means. When the Kellogg pact was submitted for the approval of this parliament, I took occasion to state that it was of great value; that it was certainly most important for the people of the world that all nations should consider war as a crime and should outlaw it, but that the value of that pact would consist mainly in the measures which might be adopted afterwards to make it effective.

The first measure that was adopted, as far as many countries are concerned, was the acceptance of the optional clause of the statute of the Permanent Court of International Justice, whereby we bound ourselves to accept the decision of that court in regard to certain disputes which might be submitted to it by us and other countries. At the time Canada assumed the leadership in the British commonwealth of nations for the acceptance of that optional clause. Indeed, Britain was rather doubtful; it was against British tradition to submit to a tribunal outside of the empire, on which tribunal foreigners would sit, any dispute concerning the empire. Canada stated both at the League of Nations and at the Imperial conference that we were ready to accept the optional clause and we merely agreed to postpone our declaration to that effect until a final decision was reached by the other nations of the empire and this was done, I believe, in 1929. The General Act was drafted by the League of Nations in 1928 and submitted to the various countries. Our delegates at the League of Nations—and I refer more particularly to Senator Dandurand—took a strong attitude in favour of arbitration, and indeed it is gratifying to us that to-day this attitude is endorsed and supported by the other countries of the British commonwealth. Arbitration, security and disarmament—they are the three fundamental principles which seem to be linked together and which are pointed out as the goal to be reached by all nations.

By the approval of this resolution and the acceptance of arbitration as the means of settling our disputes with other countries, we and the other countries which accept it are clearing the road for the momentous gathering which is to take place next February for the disarmament of the world. All countries will be represented there, even those that are not members of the League of Nations. In that connection Mr. Speaker, I was reading the other day that in the British parliament they have appointed members of the three parties to the imperial defence committee in order to prepare the case of Great Britain to be submitted to that very important conference. In the United States they have adopted the practice of sending members not necessarily on the side of the government in office to conferences on disarmament. I would suggest to the Prime Minister that he consider the advisability instead of having solely the government of Canada represented at this most momentous gathering, of having the parliament of Canada represented there. I believe that the parliament of Canada should be represented at that world conference to ex

press the unanimous voice of Canada in favour of disarmament, and in favour of that great work for peace.

Justice and peace, I might say, are twin sisters. The one cannot exist without the other. The obligation, the compulsory nature of the pacific solution of difficulties is an essential condition, a sine qua non condition, for the prevention of war. Arbitration is an act of moderation. It is an act of patience. It is the desire to do what is right, and it affords the means of redressing injustices between nations without resorting to the still greater injustice of war, because, after all, bullets and machine guns cannot be considered as the instruments of fair and impartial justice.

The world has always craved for peace. This is not new. What is new is the organization for peace. War has always been organized, but peace has not been organized in the past. Peace was often a subject for discussion and debate, for fine words, but deeds for peace have only come to exist since a few years ago. This resolution before us to-day is one deed in the organization for peace, in that organization which is necessary to effect a change in the conditions that exist. Arbitration accepted everywhere, will be a greater security than armaments. I was amazed the other day to hear an hon. gentleman say in this house: If you want peace, prepare for war. It was simply repeating that old saying of centuries; "Si vis pacem, para bellum." That was the doctrine of the nations prior to 1914—prepare for war and you will have peace, and it is because of that doctrine that the world has been drenched with blood. It has been proved futile and vain. It is in organizing for peace, and not for war, that peace can be secured.

Mr. McGIBBON: Does my hon. friend think that if England had been prepared for war in 1914 the Great war would have come?

Mr. LAPOINTE: The result has demonstrated that the nations which were not prepared were the victorious nations in the end.

Mr. HANSON (York-Sunbury): How does the hon. member prove that statement? That is an assertion of fact.

Mr. LAPOINTE: I am afraid there are still some gentlemen who will vote for resolutions, of this kind, but who do not believe in them. I shall not try to convince my hon. friend.

Mr. HANSON (York-Sunbury): That is no answer.

[Mr. Lapointe.]

Mr. LAPOINTE: We do not think alike on these things.

Mr. HANSON (York-Sunbury): I agree.

Mr. LAPOINTE: I know that, but I prefer my own views to those of the hon. gentleman.

Mr. HANSON (York-Sunbury): That is your privilege.

Mr. LAPOINTE: That is right. If my hon. friend will discuss this matter and give us the benefit of his opinion, I shall be quite pleased to listen to him, but in the meantime I would ask him to listen to me.

By arbitration it is intended to apply to nations the same rational principle for the settlement of differences as all the civilized countries have accepted for the settlement of disputes between individuals. Even during the war, as early as 1917, I remember that Pope Benedict XV preached the doctrine that the nations which would refuse arbitration ought to be considered as the aggressors. Arbitration provides at least a way to try to prevent war, and I think it should enlist the support of hon. gentlemen everywhere.

The resolution before the house provides for accepting a tribunal of conciliation, or conciliation and judicial settlement by way of the Permanent Court of International Justice, or, if the nations prefer, by arbitration before an arbitral tribunal.

In the first place, all disputes may be submitted to conciliation. Then disputes as to the respective rights of nations are to be referred to the Permanent Court of International Justice or to an arbitral tribunal; but, by agreement, they may also be referred first to conciliation. In the third place, non-legal disputes, if not settled by conciliation, are to be referred to an arbitral tribunal. There are at least four reservations, which are the same or about the same as were put into our acceptance of the optional clause. The last one reserves disputes with any party which is not a member of the League of Nations. I suppose that owing to the conditions mentioned in section three of this resolution that reservation had to be placed there, because nations which are not members of the league could not submit their differences to the council of the league.

My only regret so far as the last reservation is concerned would be that it excludes the United States. After all the main difficulties or the greatest sources of trouble we might have in Canada necessarily would be with our neighbours to the south. As the Prime Minister has stated, however, fortunately there exists a tribunal for the settle-

ment of differences. The general impression is that the International Joint Commission exists merely for the purpose of settling difficulties concerning boundary waters. For the information of the house I would state that its powers are wider than that. Sections 9 and 10 of the treaty of 1909 permit either of the two countries to submit any difficulties to the International Joint Commission for investigation and report, if the two countries agree the decision shall be binding. I do not think Canadians fully realize the great significance of the powers of the International Joint Commission whereby if the two countries agree, the decision of that court is binding. Further, by the Kellogg-Briand pact signed by the United States and Canada both countries bind themselves to exhaust all pacific means of settling difficulties before resorting to war. In connection with the treaty of 1909 I submit the Kellogg-Briand pact places an obligation on the part of the United States as well as on the part of Canada to submit to the International Joint Commission any trouble or difficulty which may have arisen between the two countries. Up to the present time the International Joint Commission has proved its usefulness in the settlement of international difficulties. Only recently it came to a unanimous decision on a matter which had created much friction between the state of Washington and the province of British Columbia with regard to damage by fumes and smoke passing from the plant of the Consolidated Mining and Smelting Company into the state of Washington. The farmers of that state complained of damage occasioned by the fumes from the works at Trail, B.C.

Mr. BENNETT: Of course they dealt with that only by consent.

Mr. LAPOINTE: Yes, by consent. By agreement the difficulty was submitted to the International Joint Commission, it could not have been submitted otherwise. Fortunately a unanimous decision was reached and accepted by both parties, with the result that the trouble has disappeared.

I have but one thing further to state. I do not know whether my right hon. friend the Prime Minister remembers that once he told me in this house I was taking my policies from Geneva.

Mr. BENNETT: Yes.

Mr. LAPOINTE: I am glad to see that he is taking some policies from Geneva.

Mr. BENNETT: Yes, but there is a great distinction between the two.

Mr. LAPOINTE: This resolution is one of them. My right hon. friend says there is a great difference between the two. It is fashionable among certain business circles to speak contemptuously of idealists. Let me say, Mr. Speaker, that there is no antagonism between ideals and action. Ideals inspire and animate action; they control action and direct where it should go. I think that not only in that sphere but in other spheres the right hon. gentleman may, if not take his policies from Geneva, at least act in cooperation with the other countries of the world. The progress of the last fifty years has changed the world. The combined efforts of scientists and industrialists have absolutely revolutionized economic conditions. Until fifty years ago, provided certain conditions existed, a nation could live by itself and for itself. Not so to-day. The slightest dislocation in the trade of the world has its effect everywhere. The last dislocation we know has had its effect in many countries, and probably everywhere. In some countries the effect has been rebellion or revolution; in others, as in this country, the result has been a change of government. Sir, in this house the other day an hon. member said we were too much inclined to think internationally. I do not agree with him. We are not thinking internationally enough and I state that at the present time the most important concern of a statesman is to undertake nothing without first considering not only the interests of his own country but the result of his action on other countries. Modern progress has made the world accessible by a trip of twenty days. Every country is our next door neighbour and surely we must cease to think in terms of mail coaches and paddle boats. These are the views I hold, Mr. Speaker, and it is because of these views I congratulate the right hon. gentleman upon bringing forward this resolution. It is in the hope that the resolution will go further that at this time I give it my support.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, with most of the admirable sentiments expressed by the Prime Minister (Mr. Bennett) and by the late Minister of Justice (Mr. Lapointe) I heartily agree. It is with the greatest pleasure that I support the present resolution which I think is but another step in the right path towards peace. At the same time, as an old pacifist not only between wars but during wars, may I express the view that perhaps some of the reservations contained in this resolution could have been dispensed with. The right hon. gentleman, who is always at his best when he advances prin-

ciples of law, has rightly said that these reservations, at least those of a general portent, are in accordance with the principles and practices of international law. He is quite right, but following the words and the line of argument followed by the hon. member for Quebec East (Mr. Lapointe) is it not true that the tendency, and the right tendency, at the present time is not only to render war more difficult but to make peace easier, and therefore to change the spirit and practice of international law and international relations, so as to make peace more readily acknowledged and create more obstacles in the way of war?

I have given some little time during my life, sir, to the study of modern history, and I have been struck with one feature. Either with regard to the last war, which some are beginning to understand, or with regard to previous wars let us say only in the last century, one thing is striking. Most of the men who were responsible for the policies of the various countries who declared war or against whom war was declared did not want it at heart. Take the last war; whether in Germany or in England, in France or in Russia, in Italy or in Roumania, I believe—though I did not always believe it—that most of the statesmen responsible for the diplomacy and the policies of those countries did not want war. But, as Mr. Lloyd George has expressed it most tersely, they all tumbled into war. Why? There were various causes, into which I will not go, but the main reason was because the instruments of peace were not at hand while the instruments of war were simply surrounding them. In each of those countries there was a huge army or a powerful navy headed by officers full of military ardour. I do not think those officers were much more desirous of war for the sake of war than politicians or diplomats, but with them war was a trade, and they realized that they could not keep up very long the efficiency of these instruments of war in any other way. With the day of war close at hand, they thought it was the duty of their rulers to strike the first blow at the most opportune moment for their own country. That was the thought of such a noble man as Lord Fisher. I refer frequently to him because, having known him, I know what was in his mind and in his heart. He wrote, over his own signature, that the great fault of his country was not to have struck at Germany at a more opportune moment, so that Lord Fisher's name and his words have been quoted in Germany as Bernhardi's words and arguments have been quoted in the other camp, to show that England on the one hand or Germany on the other was bent on making war. I think that was untrue of both countries and of their responsible statesmen. I believe the same thing could be demonstrated with regard to every other great country in Europe and in America.

Surely in this country, whatever position we may have taken with regard to the merits of the war and the moral duty of Canada to participate in that war or, as I took it, the moral duty of Canada to abstain from that participation, I think we all agree that if it had been possible we should not have been there. I think we all agree that as one unit of the great British commonwealth of nations—I do not like the word, but I make use of it since it is accepted now—our influence in the councils of that commonwealth always should be towards safer guarantees of peace, towards arbitration and conciliation rather than towards the organization of war for the empire or by the empire, against the rest of the world. I am sure in that statement I express the sentiments of the Prime Minister and of my friends to my right as well as my own. In that respect I entirely agree with the Prime Minister, and I think he has expressed admirably the broad sentiments of all classes of Canadians. He can count upon the support of such old pacifists as myself in this direction, as I think he can count upon the support of his own friends who approved of the participation of Canada in the last war.

Let me repeat, however, that if we want to lend our help and exercise our influence in the direction which is implied in this resolution, we could dispense with some of those reservations. Let us take them one by one. In the first reservation we exclude from our adhesion to the act "disputes arising prior to the accession, in respect of Canada, to the General Act, or relating to situations of fact prior to the said accession." Why make an exception of that kind? Those past difficulties, if there are any, are of the same nature as difficulties that may arise in the future and therefore, if we think proper to adhere to any international compact the object of which is to settle by peaceful means future disputes, why not make it retroactive so that past difficulties, or difficulties the causes of which may have arisen in the past, also may be covered by the same act? If that act is good for disputes not yet arisen, surely it ought to apply equally to disputes that have been already launched or which are possibly under discussion, but susceptible of being settled by arbitration.

I think everyone can agree to the second reservation, because it is in the spirit of the resolution. I might even say that it broadens the scope of the resolution. It indicates that we are prepared to submit to other peaceful means of arbitration questions that could not be settled under this act, and that we do not shut the door upon other means of peaceful action.

With the third reservation I at once agree and disagree. I would welcome the day when this government, as representing the senior partner in the association of nations outside of Great Britain itself, would take the initiative in bringing about the creation of a board of arbitration as between the various partners of the British commonwealth of nations. I consider the Prime Minister, in spite of many differences of opinion we may have had in the past or may have in the future, well qualified to bring up, at the proper and nearest possible occasion, this question of creating a board of arbitration as between the various partners in the British commonwealth of nations. The idea already has been suggested in this house; I hope it will make its way. If we accept as true—and I think it is now accepted by all, including even those who at first disputed the principle—that Canada, Australia, South Africa and Ireland are full-fledged nations, equal in status with Great Britain, and subordinate to no other nations even within the sphere of the British Empire, then surely, as among ourselves, we are all in the position of nations enjoying equal rights, having to fulfil equal duties, including the supreme and primary duty of agreeing solemnly before the world to submit all our internal disputes to a proper tribunal. The voluntary recourse to such a tribunal, either by Canada, in some difficulty with Australia or New Zealand, for example, or by Ireland, in some misunderstanding with respect to the interpretation of their treaty with England—the voluntary recourse to such a tribunal, I say, even within the realm of the British commonwealth, would be in our day the greatest standing lesson in peace, accord and amity which the British Empire could give to the world at large. If, therefore, it is the intention of the government to encourage the devising of some means of settling international disputes—and I insist upon the word international, since we are all equal nations within the empire—between British communities, then I have no objection to our withdrawing from the operation of the General Act any question in dispute between ourselves.

Paragraph 4 provides for "disputes concerning questions which by international law are solely within the domestic jurisdiction of states."

It is in respect to that point that I think it well to clear the atmosphere just now. The Prime Minister has stated, concisely and with precision, the state of international law as it has obtained up to our day, and perhaps as it still is in the letter of the law. The ex-Minister of Justice stated that up to 1914 no nation acknowledged any supreme authority over itself or over other nations to prevent international disputes. Upon this point I beg to differ from both the right hon. gentleman and my hon. friend. My hon. friend says that up to fourteen years ago there was no such thing as international arbitration. That compels me to introduce a subject which might, perhaps, be a bone of contention between some of us. But as a student of history I wish to present the question in no spirit of dogmatism.

Mr. LAPOINTE: My hon. friend has misunderstood me. The treaty of 1909 with the United States—

Mr. BOURASSA: I am not speaking of individual treaties; I am speaking of universal policy. I understood my hon. friend to say that up to 1914 the old Roman dictum, that if you wish for peace you must prepare for war, was practically the only rule among nations. May I refer him to a man who certainly never displayed any narrow, bigoted, sectarian spirit—the late John Morley. I shall have to rely upon my memory for what I am about to say, after many years of recollection. But as I remember, in one of the finest chapters of his Life of Gladstone, either in connection with the situation that arose at the time of the Franco-Prussian war, or more probably still in reference to the ever-recurring oriental question, at the time of one of the innumerable occupations of the island of Crete, John Morley refers to the attitude of Gladstone. Morley, as everyone knows, was a thorough agnostic; and analyzing the state of mind of one of the pillars of the Anglican church, who a few years before or after made use of his powerful pen to denounce the papacy, Vatican and vaticanism, he showed that Gladstone was nevertheless big enough to recognize the part which the papacy had played in international misunderstandings. Both Gladstone and Morley knew enough of their history to know that, for centuries, for nearly a thousand years, by common consent of all the nations comprising what has been called Christendom, there had existed a

spiritual power of arbitration in the Holy See. The exercise of that power, in international affairs, was a purely human function. The exercise of that political power was in the hands of the pope by common consent of the nations. No pope and no council of the Catholic church, including the Vatican council, has ever held that this was a prerogative of the Roman pontiff by reason of his claim to the apostolic succession. It was a purely political power to which all the nations gave allegiance because, in the eternal words of Edmund Burke, they considered that the pope, even when some of the nations had seceded from Rome, was still the spiritual head of Christendom. To come back to Gladstone's reflections, as analyzed by John Morley. Ever since the treaties of Munster and Osnabruk, ever since the peace of Westphalia, so-called, which in the words of some of the highest authorities on modern history has changed the operation of international law in modern times, the power of arbitration exercised by the papacy has been rendered vacant. Catholic nations have not, any more than Protestant nations, acknowledged it. One of the articles of the secret treaty concluded in 1915 between England, France, Italy and Russia, excluded the pope from the councils of nations, at least in the settlement of the last war. But, in the words of John Morley, no substitute was then created. The League of Nations is an attempt to replace the old spiritual authority of the Holy See by something more akin to the principles and practice of democracy. Whether we like or dislike democracy, whether we believe or not in its power, nevertheless the League of Nations is an attempt to constitute such a substitute. Not all-powerful, I admit; its weaknesses and deficiencies have been proven on several occasions since the war; but, nevertheless, it is an attempt to approximate the old ideal and practice of previous days when that power of arbitration was exercised. The League of Nations, with its council, is no more capable of stopping all wars than the old papacy was capable of doing so. Yet, it can stop some, as it did. We should strengthen the hands of the league as much as we can in all disputes. We should multiply all the instruments for peace by means of arbitration and common understanding, which may supplement the work of the League of Nations and prolong its usefulness. To that end I agree with this motion. But if we want it to be operative, all nations should decide to renounce that pagan principle which is no more in conformity with the democratic spirit of the League of Nations than it was with the spiritual ideals of ancient Christendom: that the nation's pride, that the nation's pretensions, that the nation's spirit of exclusiveness should prevail over the good of the whole world. Nations should be prepared to submit questions—I will not say of internal policy because I agree entirely with the Prime Minister that that is not the business of other nations—but such questions of internal affairs, pretensions and national pride as come into conflict with the pride, interests and affairs of other nations; because, when that conflict happens, it ceases to be exclusively a national affair, it becomes international, just as the right of every individual to his own liberty ceases to be a right the moment it interferes with the liberty of another man who in turn has equal rights. The ignorance of this truth was one of the causes of many wars during the last century.

I mentioned a moment ago the Franco-Prussian war. The records in Germany are now available because of the revolution, and we are enabled to read what the statesmen of both countries did at that time. We know enough of French history to realize that the man who, for many years, was held responsible for the declaration of war against Germany, Emile Ollivier, was opposed to that war; but he was afraid of popular sentiment. As he said: I must now make popular a war which I abhor. Why was that necessary? Because national pride would not submit to any external arbitration.

The late Czar of Russia offered to submit to arbitration the difficulties which arose between his country and Austria. The records disclose that the ex-kaiser was just as opposed to war as was the czar. He knew that he would have to suffer just as much as would the czar, but there was the question of national pride. He thought that Austria would be opposed to submitting a question of that nature to an outside tribunal; and because of a narrow minded view of national pride and interest this tremendous calamity occurred. Whether it be kings, statesmen, publicists, although in their hearts most of them were opposed to war, they actually launched upon the world this horrible curse which cost the lives of twenty millions of people and brought about the economic disasters with which this government, as well as all governments, are now confronted. National pride precluded a resort to outside arbitration.

This reservation seems to me to be the greatest obstacle to the carrying out of this agreement; but I hope my remarks have been accepted by the house as the remarks of one friendly to the object in view. I will sup-

port this motion because I believe that every step in the right direction, although it may be too short or too slow, is a step towards the accomplishment of the end, not only by our country but by the world at large. In this, I agree with the hon. member for Quebec East (Mr. Lapointe).

The world is being tossed about by two currents, extreme nationalism and extreme internationalism. There is a right path between those two extremes, the path towards the truth. Surely upon God's earth there should be room enough for all races, for all nations and for all communities to develop their own genius and enjoy their proper freedom. The duty lies upon every nation to have that respect for others which they in turn expect to receive. That is what I call internationalism. Internationalism is not the eradication of national sovereignty and of national pride, it is the adaptation of the interests of all nations towards those of others. The general application of the golden rule is the only way by which peace and amity can be brought about between nations, as well as between individuals.

Motion agreed to.

TARIFF BOARD

RESOLUTION TO PRESCRIBE THE CONSTITUTION, FUNCTIONS AND DUTIES AND PROVIDE FOR SALARIES

Right Hon. R. B. BENNETT (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure for the appointment of a tariff board, to prescribe the constitution, functions and duties of the board, and to provide for the salaries to be paid the members, officers and employees of the board.

He said: Mr. Speaker, this resolution is antecedent to the introduction of a bill which will provide for the creation of a tariff board—by statute and not by order in council—to exercise the functions mentioned in the bill. This board will be comprised of three members. It will be a court of record, and in addition to carrying on the duties of a tariff board it will exercise certain powers which are now exercised by the officers of the Department of National Revenue as well as by officers under the combines act.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I do not wish to discuss this matter at any length at the moment, but I would point out to my right hon. friend that so far as the existence of a tariff board is concerned, its constitution, personnel and the provisions for carrying on its several functions were in existence at the time my right hon. friend came into office. This legislation becomes necessary solely by virtue of the fact that he abolished the then existing board and now introduces a bill to create another board. The Prime Minister stated that the previous board had been appointed under an order in council. That is perfectly true but—

Mr. BENNETT: Without any authorizing statute.

Mr. MACKENZIE KING: —parliament had appropriated moneys specifically for the creation of a tariff board in that manner. I agree with my right hon. friend that a statute is preferable but I would point out to the house a rather significant circumstance; the one board was abolished the instant my right hon. friend came into office, but he has waited until late in this session to introduce his bill creating another board. It would seem that my right hon. friend had had in mind, immediately he came into office, the drastic changes in the tariff which were made at the last special session, and that he did not wish to have in existence at that time any tariff board to which by any possibility the proposed changes might have been referred for consideration before they went into effect. I think he will agree that a tariff board, even of his own creation, would not have countenanced changes as excessive and drastic as those made in the tariff at the last session.

There is one other point of which I should like to make mention. Yesterday, in referring to this particular matter, my right hon. friend said that we could get full particulars on the second reading of the bill. I hope the Prime Minister will give to us, immediately we go into committee, some of the particulars. I believe the country would like to know what the differences are between the powers and functions of the board that is now to be appointed and those of the previous board. It is desirable that before we discuss the second reading of the bill, there should be an opportunity of getting from the different parts of the country, through the medium of the press and in other ways, some expression of view on the changes which my right hon. friend is proposing in the powers and functions of the board he is about to create as contrasted with those of the previous board. When we go into committee I shall ask him if he will favour us with something more in the way of detail than he has been prepared to give thus far.

Motion agreed to.

Mr. SPEAKER: In the unavoidable absence of the deputy speaker I shall ask the hon. member for East Edmonton (Mr. Bury) to take the chair.

The house went into committee, Mr. Bury in the chair.

Mr. BENNETT: The right hon. gentleman opposite suggests that it might be desirable to give some further particulars at this time with respect to the contemplated legislation. I think I am within the rules when I say that the principle of the bill must be determined on the second reading, and the resolution before the committee now does not involve a statement of the provisions of the bill except in the most general terms.

First, there was no statutory authority for the former tariff board. It had not behind it any authority of any kind, shape or form, except the authority to pay it. It existed by order in council, an administrative act, without legislative jurisdiction or authority, and being that sort of board it was not a court of record; it had no power to administer an oath and it had no power to institute inquiries except in so far as people saw fit to attorn to it. The result was, in the words of the chairman of the board in his last report, that he was able to establish relations with various manufacturers. With that kind of board this country has no part; that kind of board this country will not tolerate. It became in the words of Mr. Darby, in his letter to a Toronto paper, a political organization sitting in a red parlour, doing things with the least possible difficulty, with the purpose of having people make statements, read briefs and then go on with a little further inquiry. After that speeches were made by the consumers' league, and that is all there was to it. I defy any hon. member to say that there was any shadow of legislative authority for that board.

Mr. TOTZKE: Never intended.

Mr. BENNETT: Of course there was not; it was never intended there should be. In other words, it was just what the hon. gentleman would have it appear to be, a gigantic bluff without power, without authority, with the semblance of being clothed with the outward and visible signs of authority, but lacking them, so far as parliamentary action was concerned, except in the estimates to provide for its own pay. That is all.

This bill proposes first of all to create by statute a board. That board will be a court of record; it will administer oaths. It will hear evidence under oath and it will also hear evidence touching every matter which affects the application of a tariff to this country.

Mr. TOTZKE: Will it have legislative authority?

Mr. BENNETT: It will not. That rests with parliament.

Mr. POWER: The other board had power to examine witnesses.

Mr. BENNETT: Not under oath.

Mr. POWER: It examined them.

An hon. MEMBER: Is that the only distinction?

Mr. BENNETT: There are several others.

Mr. MOTHERWELL: We shall know the old board by its tariff fruits.

Mr. BENNETT: The action of the former administration in setting up its tariff board by order in council was an endeavour by order in council to set up the board that Sir Thomas White provided for in the legislation introduced in 1912. After the Conservative party came into power in 1911, it promised a tariff board. It had done so before the election. The bill was introduced into this chamber; it passed this chamber; certain amendments were made in the Senate and the bill never became law.

Mr. POWER: That was because there was some kind of legislative sanction to its decisions.

Mr. BENNETT: There was not in any way, shape or form, directly or indirectly.

Mr. POWER: I think that was the objection taken.

Mr. BENNETT: It was my business to know it was not.

Mr. POWER: That does not convince me.

Mr. BENNETT: I merely indicate it was my business to know it was not.

An hon. MEMBER: It was.

Mr. BENNETT: If the hon. gentleman will read Hansard, he perhaps will know and he would not subject himself to the humiliation of acknowledging himself to be wrong.

Mr. EULER: What then prevented it from passing?

Mr. BENNETT: There shall be a board to be called a tariff board, and the board shall

be a court consisting of three members with power to make inquiries under oath and with a seal. It will be a court of record. The inquiries will be for the purpose of ascertaining—

(a) the price and cost of raw materials in Canada and elsewhere, and the cost of transportation thereof from the place of production to the place of use or consumption;

(b) the cost of production in Canada and elsewhere, and what increases or decreases in rates of duty are required to equalize differences in the cost of production;

(c) the cost, efficiency and conditions of labour, including health of employees, in Canada and elsewhere;

(d) the prices received by producers, manufacturers, wholesale dealers, retailers and other distributors in Canada and elsewhere;

(e) all conditions and factors which affect or enter into the cost of production and the price to the consumers in Canada;

(f) generally, all the conditions affecting production, manufacture, cost and price in Canada as compared with other countries.

That is the report to the minister. The purpose of it is obvious to any hon. gentleman who desires to protect the Canadian producer from unfair and unjust competition from other countries.

Mr. TOTZKE: Will the board hold public hearings?

Mr. BENNETT: It will; it is a court of record.

Mr. SANDERSON: Will it travel around the country or just sit in Ottawa?

Mr. BENNETT: There are provisions for hearing evidence in towns other than Ottawa.

Mr. EULER: Will it have power to make actual changes in the tariff rates?

Mr. BENNETT: No.

Mr. EULER: That power will be left with parliament?

Mr. BENNETT: Absolutely.

Mr. EULER: A rumour has been published in the newspapers that the power now held by the board of customs will be enjoyed by the tariff board; is that right?

Mr. BENNETT: I was just coming to that.

Mr. SPENCER: Will the board make recommendations to the government?

Mr. BENNETT: It will make reports.

Mr. BRADETTE: Will the officers be appointed by the Civil Service Commission or the tariff board?

Mr. BENNETT: The commissioners will not be appointed by the Civil Service Commission.

Mr. TOTZKE: Will the board replace the consumers' league?

Mr. BENNETT: Well, it will be where it belongs, I think.

Mr. TOTZKE: The consumers' league belongs before the tariff board.

Mr. BENNETT: I understand that. I hope they will be provided for by Canadians and not by competing industries outside of Canada.

Mr. TOTZKE: Never outside Canada, but always by Canadians.

Mr. BRADETTE: Will the employees of the board be appointed by the Civil Service Commission?

Mr. BENNETT: They will be appointed by the board. May I point out in answer to the hon. member for North Waterloo that it is proposed that the duties of the customs board shall be taken over by the tariff board from a date to be fixed by the governor in council. At the present time, as the hon. gentleman knows, those who sit in judgment upon appeals from the board of customs are the very men who make the ruling.

Mr. EULER: Not all of them, not a majority.

Mr. BENNETT: Not all, but my hon. friend will agree that very often in practice that is what it means, and it is felt that in accordance with the modern practice in other countries it is better to have some tribunal that is free from any antecedent inclination in the matter.

Mr. EULER: Is this board modeled upon the practice of some other country, and if so, which country?

Mr. BENNETT: No, but I pointed out to my hon. friend that in modern practice there is an appeal.

Mr. EULER: I understood the Prime Minister to refer to the modern practice in other countries.

Mr. BENNETT: In the United States, as my hon. friend knows, there is provision for appeal. It is called a court of some kind.

Mr. VENIOT: Will there be an appeal to council from the board?

Mr. BENNETT: No.

Mr. BEAUBIEN: Will the sittings of this new board last longer than the inquiry over which the Prime Minister presided last fall with regard to agricultural tariffs?

Mr. BENNETT: They will probably not last quite as long as the sittings that were held by the order in council board. May I add that the seven or eight volumes of evidence taken by that friendly gathering—it was not a tribunal—will be found in the library. When my right hon. friend referred to the tariff of last session, which I shall be prepared at the proper time to discuss, I think he overlooked the fact that the items to which most objection was taken were the items dealt with by that inquiry board, and the record is there. I do suggest that if hon. members will read that evidence they will conclude that the action that was taken by the government last session was not more than was necessary to save the industries in question from disaster.

Mr. POWER: The glass industry, for instance?

Mr. BENNETT: No.

Mr. BEAUBIEN: The potato industry.

Mr. TOTZKE: Does the Prime Minister mean that the tariff changes of last session were based on evidence given before the tariff board?

Mr. BENNETT: He did not say that. He said that the evidence was very useful. If the hon. gentleman would go into the library and look at it—I suppose he has never read the evidence—

Mr. TOTZKE: I have read most of it.

Mr. BENNETT:—he will find a great deal of evidence upon which no action was taken by the former government, and which, if it means anything, means that the Canadian producer was not having an equal opportunity and a fair chance in his work.

Mr. TOTZKE: Has the right hon. gentleman considered the Canadian consumer?

Mr. BENNETT: That is provided for in the bill, which provides for such steps being taken as in the opinion of the board may be necessary for the purpose of preventing exploitation of the consumer.

Mr. EULER: Perhaps this question may have already been asked and answered. Under the old customs board there was an appeal to the governor in council. Will that be possible under the new legislation?

Mr. BENNETT: Not as it reads at the moment.

Mr. EULER: But there is an appeal?

Mr. BENNETT: Not at the moment in the bill as prepared. The provision is that it shall not come into force until an order in council is passed. The bill provides that the board shall cause its decisions to be published in the Canada Gazette, and part two provides that it shall not come into force until an order in council has been passed by the governor in council. It is left that way in order that the house may discuss the matter freely and fully and conclude what action should be taken in that regard. There is also a provision whereby the powers of the Combines Act for initial investigations may, if it is thought desirable, be exercised by the board itself. The board is also empowered to make the investigations which the judge of the exchequer court makes under the Customs Tariff Act as it now stands.

Mr. VENIOT: Has the Prime Minister considered leaving the customs board as it is, that is, the board consisting of members of the customs department and members of the Finance department, dealing with interpretations of the tariff act, and allowing appeals from their rulings, if objection is taken to them by the financial interests of the country, to the new board that is to be created?

Mr. BENNETT: It is thought that the method I suggest would be the best method. The officials in the department thought it desirable.

Mr. EULER: Have there been any protests from the general public or from business men as to the rulings given by the customs board under the former practice? I do not think there can have been more than two or three appeals a year if that many, from the decisions of the customs board. I am asking merely to ascertain whether there has been any dissatisfaction. I am not finding any fault with the practice now to be followed, because possibly it is more logical than the practice that obtained before. This is true, that the customs board consisted of the commissioner of customs, the assistant commissioner of customs, and three others who were not identified with the customs department at all. It is also true that where an appeal was taken by some importer the customs board itself was headed by the very same commissioner of customs who had given the decision in the first place, and possibly to

that extent he might be prejudiced. There is this, however, to be said for the old practice, that the decisions of the board on appeal were never appealed to the governor in council, and one may therefore conclude that the decisions were, after all, fairly satisfactory. That is the point I desired to make. I do not know of two or three appeals a year. I can recollect only one appeal from the customs board so long as I was a member of the council, and that was by the very gentleman whom my right hon. friend did not appreciate perhaps as much as he should have, the representative of the consumers' league, who appealed with respect to magazines.

Mr. MACKENZIE KING: May I ask the Prime Minister if I am right in this, that the new board combines the functions of the old tariff board as an advisory body to the government on applications for changes in the tariff that may be submitted to it, with the functions of the customs board, which gave rulings and decisions with respect to matters that were referred to it?

Mr. BENNETT: Not referred to it. As the hon. gentleman said, it is purely a matter of administration. As my hon. friend from North Waterloo has said, in the end the appeal was heard by a body which the commissioner of customs himself presided over. There were no great complaints that I know of, but sometimes there were some. I have heard of dissatisfaction in one or two instances, but no general dissatisfaction. It was thought, however, that the new board would be a very excellent body for that purpose, it being free from the difficulties which the hon. gentleman has mentioned. The board is a body to which an appeal can be taken in matters of administration, and administrative powers have certainly been very large in connection with the Customs Act and the tariff of this country.

Mr. EULER: Apparently the Prime Minister has not quite decided whether the decision of the new tariff board with regard to appeals shall be final.

Mr. BENNETT: I intend that the matter shall be dealt with by the house, if hon. members think it desirable.

Mr. MACKENZIE KING: I wish to clarify my understanding as to the functions of the board in regard to tariff legislation. Am I right in assuming that this board will be an advisory board to the government, that it will not itself define in any particular what the tariff is to be but will deal with applications which may be referred to it by the government for consideration, and give to the government upon the facts its advice with respect to those various applications?

Mr. POWER: Advice without any recommendation?

Mr. BENNETT: A report is made by the board to the minister. The proposed bill contains the following section:

> It shall also be the duty of the board to inquire into any other matter or thing in relation to the trade or commerce of Canada which the governor in council sees fit to refer to the board for inquiry and report.
>
> Inquiries under this section shall be conducted in a summary manner, and the respective reports to be made pursuant to its provisions shall succinctly state the facts as ascertained; and each report shall be accompanied by a copy of the evidence, if any, taken, and by a copy of all information obtained in connection with the inquiry.

It is not intended that the board shall make recommendations, but shall submit a finding of facts. I take it my right hon. friend, as is his custom, has been following with some interest the proceedings of a similar board in the United States. I commend to this house the findings of that board concerning maple sugar. An application was made to the board to reduce the duty on maple sugar and the report to the president on which action was taken and the duty by executive action reduced was one of the most—if I might be pardoned for saying so—scientific documents I have been privileged to read. It showed in great detail the comparative costs of producing maple sugar in Quebec and in the United States, referring particularly to the state of Vermont. There was consideration of the sugar groves, the cost of getting the sap, the cost of transportation, the cost of production, and marketing details. Upon that report of the facts the president of the United States, under the statutes of that country, had the authority to take action. As I have stated it is intended in this case that the tariff board after hearing the evidence under oath shall make a report or a finding of facts, succinctly stating the facts as ascertained from the evidence. Such evidence shall be transmitted to the executive so that such action may then be taken by parliament as may be thought desirable.

Mr. MACKENZIE KING: With the exception of the power to take evidence under oath it would seem that the powers of the proposed board are similar to those of the tariff board which is being abolished.

Mr. BENNETT: Which has been abolished.

Mr. MACKENZIE KING: Yes, which has been abolished. My right hon. friend stated that the former board had no statutory authority. I am afraid those words will be interpreted to mean that it had not the sanction of parliament, and that parliament did not authorize its establishment. If my right hon. friend intended to convey that impression I say that he is quite wrong. Parliament explicitly voted money for a tariff board; the functions of the board were explained to the House of Commons at a time when my right hon. friend was leader of the opposition. If he was not leader at that time at least he was leader during part of the time that the board was in existence. I do not think he ever raised the objection he is now raising as to the necessity of having the power to take evidence under oath. That is the only feature as stated thus far in which the two boards differ. I do not think he raised that question, nor do I think he raised the question of the necessity of a statute. He may have, but I doubt it. The point however is that the value of any course of action or procedure is to be judged by its fruits. The Prime Minister knows that boards of arbitration may be constituted on a voluntary or on a compulsory basis, and the fact is that for the most part boards of arbitration which have been voluntarily constituted have been more effective than those operated on a compulsory basis. So long as all interested parties are satisfied with the facts which are being brought to light the additional feature of taking evidence under oath rather than having it given voluntarily is of quite secondary importance. With respect to all the reports submitted by the late tariff board I think it is fair to state that as regards the facts on which conclusions were reached, there was no difference in the views of the different interests which wished to be heard and had the opportunity of being heard before the board.

My hon. friend made reference to the bill which was introduced by Sir Thomas White in 1912 for the formation of a tariff commission. I believe that prior to that date the Conservative party had intimated that there would be a tariff commission and gave the public to understand that that commission would have the power to decide what the tariff should be.

Mr. BENNETT: No.

Mr. MACKENZIE KING: My right hon. friend says "no".

Mr. BENNETT: I was in the house at the time.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: I accept my right hon. friend's word for that. Sir Thomas White's first pronouncement in regard to the tariff commission is found at page 5010 of Hansard, 1912, and is as follows:

> Now I come to the question of the tariff. In view of the legislation of this session providing for the creation of a tariff commission, whose duties it will be to obtain and submit for the information of the government evidence and data from which the question of customs duties may be considered with greater certainty of knowledge than has been possible in the past, we have no tariff changes to propose at the present session.

That is the one reference made to the tariff commission which the government of that day was to appoint. The commission was put forward as a reason for not making any tariff changes at the time.

The next year Sir Thomas White made this remarkable reference to the proposed tariff commission:

> Having regard to the prevailing prosperity of the Dominion, as disclosed by the trade statistics which I have presented to the house, and the fact that there is always a delicate adaption of business to the rates of the tariff, there is, I believe, a general consensus of opinion that anything in the nature of an extensive revision of the tariff is not called for by existing conditions and would be contrary to public interest.

Sir Thomas White's attitude toward the tariff commission was to make it a means of avoiding any excessive tariff changes or, indeed any tariff changes at all. My right hon. friend's attitude toward the tariff board has been to get rid of it altogether so that he could make, without possible reference to a board, the most drastic changes that have ever been made in the history of the tariff in this or any country.

The CHAIRMAN: Shall the resolution carry?

Mr. SPEAKMAN: The Prime Minister has indicated that certain functions now exercised by the customs board would be taken over and exercised by the new tariff board. As there is a vague idea in the country and among hon. members of the house as to the actual details of those functions now exercised by the customs board I would suggest that when the bill reaches the committee stage it would be well for the Prime Minister to go into detail as to those duties. The information he could supply would be of value to hon. members.

Mr. BENNETT: I shall be very glad to see that that is done. The duties are defined by statute, but I shall have the statute here and read it when the bill is before the committee.

Mr. HEAPS: There has been a great deal of interest and discussion concerning the new tariff board. I also am interested in its creation. From what I have heard to-day I am under the impression that the net result of passing the bill would be that there would be an appointment of three good Conservatives to take the place of three bad Liberals. I do not know whether or not my supposition is correct, but that is my impression at the moment. If a tariff board is to be appointed, I should like to see on that board experts who will give their time and thought to these questions, who will be removed from any influence of this house, men of reputation and standing as economists. However, during the past few weeks I have listened to speeches from hon. members opposite claiming that industries in this country are now in a fairly prosperous condition.

Some hon. MEMBERS: Hear, hear.

Mr. HEAPS: I hear some hon. gentlemen opposite say "hear, hear." If our industries are in a prosperous condition what is the need for the creation of a tariff board at this time? There are other elements in the country now which are far from prosperous, yet the purpose of this measure is to give industries that protection which is necessary to keep them in the state of prosperity which hon. members opposite claim exists at present.

Mr. MORAND: Would my hon. friend tell me who said industries were in such a prosperous condition? I never heard that statement.

Mr. HEAPS: Within the past few weeks hon. gentlemen opposite have been telling us of new industries springing up and working overtime and all that sort of thing, and when I mentioned that fact some hon. members opposite said, "hear, hear." Articles have appeared in eastern papers telling of the tremendous prosperity which was brought about as a result of new tariff legislation, but now I hear a member of the Conservative party rise in his place and question the assertion that these changes which were made in the tariff have brought prosperity.

At the present time there are industries in this country which, comparatively speaking, are in a prosperous condition and which pay good dividends to their bondholders and shareholders. I do claim, however, that there are other elements in our community, the great mass of the primary producers, the farmers and the men and women employed in industry, who to-day are having a much greater struggle than the men whose money is invested in industries. It may be very commendable for the government to introduce legislation which will give to the manufacturers the measure of protection which they desire or which the government thinks should be given them, but the time of the house could be spent to much greater advantage in caring for those who are in dire need at the present time.

As far as the tariff is concerned, it means practically nothing to the men and women employed in industry, and I make that statement with some little knowledge of the facts. There never have been such widspread wage reductions as have taken place since last September, when these increases in the tariff became effective. The industries which received the benefits of protection from parliament are among those which have been making the largest reductions in wages. Now the right hon. Prime Minister comes to this house with a measure which he says will create a board to inquire into the industries of this country and see what measure of protection they deserve. I claim our first duty is to see to it that the people who are protected are the men and women employed in industry. Figures were given to the house by the hon. member for Sherbrooke—and they cannot be disputed—showing that people employed in the textile industries are receiving wages of from $2 to a maximum of $17.50 per week. I have in my hand a communication from men employed in the textile industries in Ontario, showing that there have been great reductions in pay. During the past few months men have been compelled to go on strike in order to protest against wage reductions, but to-day we are asked to consider legislation which will give increased protection to the owners of the industries in which wage reductions have been made.

Unless there is something in this measure which will help the men and women employed in industry I say the whole thing, as far as the workers are concerned and to use the words of the Prime Minister himself, is nothing more than a gigantic bluff.

Mr. MACKENZIE KING: I should like to ask the Prime Minister a question with regard to applications which have been made for increases in the tariff, of which I understand there are between one thousand and two thousand. Will these be referred to the tariff board before any further tariff legislation is introduced in the house, or is it the intention of the government to proceed with tariff legislation before referring these applications to the tariff board?

Mr. BENNETT: I hardly think this is a question which arises now. The budget speech

will disclose the answer. Surely my right hon. friend knows that the intention of the government with respect to tariff applications cannot be said properly to arise out of legislation with respect to the creation of a tariff board.

Mr. MACKENZIE KING: My point is this: My hon. friend now is asking parliament to make provision for the investigation of applications for increases in tariff. Undoubtedly the legislation is supported by strong arguments that these matters should be carefully investigated in the first instance. I think it is most important that we should know whether the government intends this legislation to apply to applications at present pending or whether by the legislation now introduced, the government intends simply to create a board which will function after this session of parliament, and to put through in the meantime far-reaching tariff changes on the representations of one only of the parties interested and without an opportunity being given other parties to be heard.

Mr. BENNETT: I repeat that this question has nothing to do with the measure now proposed. The bill to be based on the resolution is to enable parliament to create a tariff board, and what action is taken with respect to given matters will be apparent from the result. It is quite obvious that to anticipate by asking whether or not a given application will be referred to a board that does not exist, cannot have anything to do with legislation which proposes to call that board into being.

Mr. MACKENZIE KING: I should just like to make quite clear to the Prime Minister what I believe to be the feeling of the people. They believe that something was put over them at the last session of parliament, in the vast changes made in the tariff without any investigation whatever which enabled either workingmen, farmers, or consumers to present their points of view with regard to the proposed changes. That was done by getting rid of the tariff board in advance of introducing the legislation. Now I hope my right hon. friend is not going to endeavour to introduce further tariff legislation in advance of royal assent being given this proposed measure. He ought to make it clear at the earliest possible date that in finding it advisable to have a tariff board at all, that tariff board should be given the opportunity of very carefully investigating all applications for increases in the tariff from this time on and before any further tariff legislation is enacted by the house. In other words, further tariffs should not be framed in this parliament solely on the representations of the special interests which my hon. friend opposite is seeking to help, and without any representation from either the consumers, the farmers, or the workingmen.

Mr. YOUNG: There are three or four questions which suggest themselves to me in this connection. Will the hearings before this tariff board be open to the general public? Will ample notice be given to all parties when the hearings are to be held? Will it be permissible for any citizen of Canada to appear before the board and plead the cause of any person or group of persons who may be opposed to any application being made? Will all the evidence be printed, together with the recommendations made by the board, so that we shall be in a position to judge whether or not the recommendations are based on the actual evidence submitted?

Mr. BENNETT: The question which the hon. gentleman has addressed to you, Mr. Chairman, might properly be dealt with after he has seen the bill. It is never customary to attempt to answer questions of that character at this stage. When the resolution is adopted there will be a motion for the first reading of the bill, and before the second reading the hon. gentleman will have an opportunity to study its contents carefully. On the second reading he can, as doubtless he will, express his disapproval of the provisions of the bill.

Mr. YOUNG: Does the Prime Minister expect I shall disapprove?

Mr. BENNETT: Well, it would be very odd—

Mr. POWER: The Prime Minister cannot think much of his bill if he expects the hon. member to disapprove of it.

Mr. BENNETT: The hon. member for Weyburn is unlike the hon. member for Quebec South. He is always saying that no good can come out of Nazareth; the hon. member for Quebec South says, "I really wholly agree, but I am sitting where I am and therefore I disagree." There are, of course, many details that have to be dealt with. When reference is made to the alleged fact that the tariff board was dismissed, may I point out that what happened was this: An order in council was rescinded and the board was without a chairman. That chairman is now a member of this house, having early in the days of June resigned from the duties of the board to run as a Liberal candidate on July 28.

An hon. MEMBER: And was elected.

Mr. BENNETT: Certainly he was elected; in view of the observations he made, why shouldn't he be?

Mr. HANBURY: Does the Prime Minister suggest that it was for the same reason that the government were returned—because of their observations?

Mr. BENNETT: I should think that to some extent that might be so. It certainly was not the reason why the hon. gentleman was elected, though; there were matters that went far deeper than that. However, to meet the difficulty there is in the bill a provision that no member of the board shall be eligible to be a candidate for election to the House of Commons until after the expiration of two years from the date he ceases to be a member of the board. At least, we shall not have a repetition of what we have had.

Mr. VENIOT: Why make it two years? You are taking away his liberty.

Mr. BENNETT: It is not probable that the hon. gentleman will fill one of these positions and therefore I thought two years was ample.

Mr. MACKENZIE KING: May I ask the Prime Minister whether there is anything discreditable in being a member of this house or in being a member of a tariff board? I think the provision is most gratuitous, and the implied reason for its being in the bill is as unworthy as it is self-evident.

Mr. BEAUBIEN: The bill lacks a good deal of dignity.

The CHAIRMAN (Mr. Bury): Hon. members are going outside the purview of the resolution, which concerns merely the question whether or not it is expedient to bring in a measure.

Mr. McLURE: I wish to ask one question with respect to this resolution. At the last election we heard a great deal about the consumers' league in conjunction with the tariff board.

Mr. LAPOINTE: And butter.

Mr. McLURE: The two were linked together as one great concern. The question I wish to ask in this connection is this: Will there be associated with this new tariff board now proposed a consumers' league with a franking machine for political propaganda?

Mr. BENNETT: In reply to my hon. friend's question, I can assure him I have a very large quantity of literature franked by various members of parliament, prepared by the mouthpiece of the consumers' league. It is not proposed that that scandal shall continue.

Mr. LAPOINTE: Good heavens! What about last year?

Mr. VENIOT: What about the franking during the elections by the party opposite?

Mr. TOTZKE: The offenders were not to be found on one side alone. The Prime Minister is quite right in deciding that the franking privilege shall be curtailed to some extent, but I submit he would be wise in applying the restriction to the members of his own party. That, however, is apart from the question I wish to ask. In this discussion the impression seems to prevail that only applications for increases in tariffs will come before the board. Will it not be possible for the board to hear applications for reductions as well?

Mr. BENNETT: I am grateful to the hon. gentleman for asking that question, because it was his own leader who kept on insisting upon increases in the tariff. I intended to remove that misapprehension, but I assumed that when the bill was in committee there would be ample opportunity to do so. I have never heard for a single moment, except from the right hon. gentleman, that only applications for increases would come before the board.

Mr. BEAUBIEN: You couldn't expect anything else now.

Mr. BENNETT: If the hon. gentleman would interrupt less, he would probably—

Mr. BEAUBIEN: Be more dignified?

Mr. BENNETT: Quite so. I am glad the hon. gentleman suggested it, because consideration for his feelings forbade my doing so.

Mr. BEAUBIEN: The Prime Minister forgets that he interrupts more than any other hon. member in this house.

Mr. BENNETT: The applications that will come before the board may be applications for either increases or decreases.

Mr. LAPOINTE: The latter will remain mere applications.

Mr. MARCIL: In 1912, Sir Thomas White introduced a bill for the creation of a tariff commission. I have not read lately the literature on the subject, for it is nearly twenty years ago. Is the present measure based largely on the same lines as the proposed bill of that day, or are there changes?

Mr. BENNETT: All tariff board legislation is based upon the same general principles, whether it be the tariff board of the Free State or of South Africa, or the investigating body in Australia. They are all based upon the general principles that were found in the bill of 1912, but which, of course, do not appear in their entirety in this measure; because there are changes which time, observation and experience, have indicated to be desirable. But in a broad and general way, the theory of a tariff board measure is that opportunity shall be afforded for the purpose of ascertaining facts, upon which facts it will be possible to conclude what action should be taken to enable the citizens of one country, in competition with another, to carry on their industrial life as well as other phases of their existence. That is the theory of this bill.

Mr. SANDERSON: I understood the Prime Minister to say that there was provision in the bill that no member of the new tariff board shall be a candidate for parliament until the expiration of two years after his resignation from the board. Has he made provision that no defeated Conservative candidate shall be a member of this board?

Mr. BENNETT: The only point I do not understand about the hon. gentleman's question is why he did not ask it sooner. He is rather tardy in putting the question. There is no such provision.

Mr. COOTE: From reports which have been current in the country during the last six months, it seems natural to assume that there will not be very much work for a tariff board after the forthcoming budget is brought down. Does the Prime Minister anticipate that there will be sufficient work for the tariff board to do to justify our passing such a measure as this?

Mr. BENNETT: The hon. member will observe that there are three additional duties cast upon the board: one with respect to the Combines Act, another with respect to the Customs Act, and a third with respect to the customs board of appeals. So that it is quite probable they will be fully occupied.

Mr. IRVINE: Do I understand the Prime Minister to say that this tariff board will not only find facts but submit to the government their finding on those facts?

Mr. BENNETT: I do not think the hon. gentleman followed what I said. I stated what the board should report: that is to say, that they should report the facts as ascertained, together with a copy of the evidence. Inferences are not to be drawn by the board.

Mr. HANSON (York-Sunbury): Unfortunately I was not in the chamber when the Prime Minister made his preliminary statement. Will it be the duty of the chairman of this new board to prepare the budget speech for the incoming minister of finance?

Mr. BENNETT: I do not think the present custom will be departed from.

Resolution reported, read the second time and concurred in. Mr. Bennett thereupon moved for leave to introduce Bill No. 47, for the appointment of a tariff board.

Motion agreed to and bill read the first time.

SUPPLY

DEPARTMENT OF EXTERNAL AFFAIRS

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

London—salaries and expenses of the office of the High Commissioner for Canada, notwithstanding anything to the contrary in the Civil Service Act, or any of its amendments, including $2,000 additional salary for the high commissioner to that authorized by chapter 92, R.S.C., $132,260.

Mr. MACKENZIE KING: What was the date of the appointment of the present high commissioner to London?

Right Hon. R. B. BENNETT (Secretary of State for External Affairs): I do not recall the exact date, but a return was tabled today by the Secretary of State (Mr. Cahan) in connection with this office. My memory is the appointment was made some time in December.

Mr. TOTZKE: What is the explanation of the increase in this item?

Mr. MACKENZIE KING: With the permission of my hon. friend, may I interject a question? The Prime Minister has stated that the present high commissioner was appointed in December.

Mr. BENNETT: I have the exact date now; it was November 28.

Mr. MACKENZIE KING: My hon. friend's government came into office early in August and at that time the Hon. Vincent Massey was the High Commissioner for Canada to Great Britain. Why was Mr. Massey obliged to resign that position?

Mr. BENNETT: Perhaps the use of the word "obliged" is rather strong, but he did resign. The position is this: there is a High

Commissioner's Act, and the duties of the high commissioner are covered by a return tabled to-day. The High Commissioner for Canada is not a diplomatic officer in the sense in which that term is used with respect to external affairs. His position with respect to the government is one of the most confidential character and in my judgment the High Commissioner for Canada should be in touch with the government of the day in Ottawa in such a way as to indicate that it has his confidence and he has the confidence of the government. I stated at the last session that this was my conception of the duties of the high commissioner. I intimated that to Mr. Massey and I read to him the statute which enumerates the duties of the high commissioner. Apparently Mr. Massey felt that if that was my conception of the position and he not being, shall I say, a supporter of the policies of the administration, then he should resign. I did suggest that he would not be able to reflect the policies of this government in London in the manner in which I should like them to be expressed. Mr. Massey had left a diplomatic office to take a political office, and having done so he felt that he could not properly interpret the views of the administration, and therefore he resigned.

Mr. MACKENZIE KING: I differ with my right hon. friend in his view that the position of High Commissioner for Canada is a political office. In my opinion that position is the highest of all diplomatic offices which can be held by anyone belonging to this country. The act which creates the office refers to the commissioner as the agent of Canada, not as the agent of a political party. That is the difference in essence between the view of my right hon. friend and the view which we on this side entertain. The last thing in the world which should be countenanced is that any person representing this country, whether in Washington, Tokyo, Paris or London, should be regarded as other than a representative of the country as a whole and not as a representative of a political party. When Mr. Massey accepted the position in London he did so on the understanding, which was publicly stated, that the London office was the highest of all diplomatic offices in the gift of the government of Canada. He had filled the office of minister at Washington for more than three years, I think everyone in this country will say most acceptably, not as a partisan but as a faithful, loyal and distinguished representative of Canada in the United States. His representation in the United States being what it was and being so generally commented on by members of all political parties in Canada as of the most exemplary character, he was appointed by the government of the day to London when a vacancy occurred in that office. The construction which my right hon. friend has just placed upon the nature of the London office means that those who go into the service of the country abroad will have no reason to look to London as a possible post to which they may ultimately attain, and that the position will be filled only by political partisans. May I say, having regard to the record of those who have filled that high position in the past, there is ample precedent to show that it has not been regarded as one necessarily identified with the government in office at the time. Probably no one represented Canada with more distinction in the high commissioner's office in London than did Lord Strathcona. Lord Strathcona was a Conservative who sat in this house as such; he was appointed by Sir John A. Macdonald's government to the position of High Commissioner in London. When Sir Wilfrid Laurier came into office, he did not take the attitude that because Lord Strathcona had been a Conservative member of parliament and had been appointed by a Conservative administration, he should not continue in the post of High Commissioner for Canada in London. Sir Wilfrid Laurier continued Lord Strathcona in that position and he held it throughout the fifteen years Sir Wilfrid was in office and, if I am not mistaken, as long as he lived. That was, it seems to me, the correct way of proceeding. It will be most unfortunate for this country, in its relations with Great Britain and other countries as well, if an all important precedent of that kind is departed from and an entirely different view taken of the character of that position.

Mr. Massey's letter of resignation was brought down in a return last year and I shall read it to the house, because it gives the grounds on which Mr. Massey tendered his resignation. This is the letter:

Batterwood House,
Near Port Hope, Ontario,
August 14, 1930.

My Dear Prime Minister,—

I appreciate your courtesy in arranging our conversation of yesterday in answer to my letter requesting an expression of your wishes concerning my appointment to the high commissionership in London.

I left the legation at Washington and accepted a transfer to London on the understanding that the office of high commissioner was an integral part of our service abroad differing, of course, in its procedure from our foreign diplomatic offices but akin to these in the qualifications of its personnel and in the relation of that personnel to the government which it serves. I now realize that our ideas regarding this are at variance. In our dis-

cussion on this subject you were good enough to make clear your view that the office of high commissioner should be held by someone in close political association with the government of the day, and I understood from what you said that you had in mind plans for this post as a result of which my own appointment could no longer stand. In these circumstances I, of course, at once offered you my resignation from the high commissionership which I now confirm—the resignation to take effect whenever you so desire.

In resigning from this post in our service abroad, of which I have been a member for three and a half years, I should like to say that no one belonging to the service and who has been engaged in its work, could retire from a post in it without a feeling of having been greatly privileged.

With kind regards,

Yours sincerely,

Vincent Massey.

The Hon. R. B. Bennett, P.C., K.C.,
Prime Minister,
Ottawa, Ontario.

No one could read that letter without appreciating the fact that in as dignified language as it is possible for anyone to use, Mr. Massey was making it quite plain that he had been forced by the Prime Minister to resign, and for the reason that the Prime Minister wished to have a close political associate given that particular office. Before we increase the salary of the High Commissioner for Canada and vote further moneys for that office, we ought to understand definitely whether the position of high commissioner is to be regarded as primarily in the nature of a political post to be filled only by a political partisan, or whether it is to be regarded as a part of the service of Canada abroad. In using these words, I am referring to the Prime Minister's view of the office, that it is a political office, and I say: You cannot give to the word "political" any significance in regard to an office which means the representation of Canada as a whole, excepting "partisan political" as distinguished from "diplomatic." I regard that office as a diplomatic office in the truest sense of the word. Diplomacy as used in reference to matters of state is simply the art of conducting negotiations as between governments. The fact that one or both of the governments is not a foreign government but is a government of a country within the empire, does not make the post any the less a diplomatic post. It is a diplomatic post because the person who holds that office is the representative of his country in another country. He is not the representative of some department of government. He is not a government official in the ordinary sense of the word. He is the representative of the government of his country, the agent of his country, and not of a political party.

[Mr. Mackenzie King.]

I should like in this connection to read to the house the language of the act which created and governs the office of high commissioner. It is in a return to which my right hon. friend has just referred as having been brought down. I have not the return under my hand, but the following will be found as part of the terms. The statute creating the office of High Commissioner for Canada is chapter 92 of the revised statutes of Canada, 1927. Section 2 reads:

2. The governor in council may, under the great seal of Canada, from time to time, appoint an officer to be called the High Commissioner for Canada, who shall hold office during pleasure.

3. The High Commissioner shall—

(a) act as representative and resident agent of Canada in Great Britain, and in that capacity, execute such powers and perform such duties as are, from time to time, conferred upon and assigned to him by the governor in council;

(b) take the charge, supervision and control of the immigration offices and agencies in Great Britain, under the Minister of Immigration and Colonization;

(c) carry out such instructions as he, from time to time, receives from the governor in council respecting the commercial, financial and general interests of Canada in Great Britain and elsewhere.

Those are the essential sections in the act referring to the functions and duties of the high commissioner. I would ask my right hon. friend to point out wherein those functions as between Canada and Britain differ in any essential particular from those of an ambassador resident in the capital of another country. It is true, as my right hon. friend pointed out last year, an ambassador is appointed by His Majesty and represents the king as well as his country. The king's representative, however, where he is an ambassador, is appointed on the recommendation of the government of the day. His Majesty does not select some personal friend for an appointment of the kind; His Majesty appoints the one whom the government of the day recommends for the office, and the ambassador thus appointed is the representative of his country resident at a foreign capital. The words in the statute describing the position of high commissioner are: "act as representative and resident agent of Canada in Great Britain." He is a resident agent. That likewise is the essence of the position of the ministers of foreign countries who have come to reside in this city. They are the resident agents of other countries in Ottawa. Our ministers at Washington, Tokyo, and Paris are resident in the capitals of those countries as the agents of the government of Canada, and speak with the authority, not only of the government, but also of His

Majesty, in conducting negotiations. All the qualifications of character, ability, tact and judgment, which are essential in a minister or an ambassador abroad, are equally essential, if not indeed more necessary in a representative of Canada in Great Britain than in Canada's representatives elsewhere. I cannot see how my right hon. friend can draw an essential distinction between the two classes of positions.

To change the essential nature of the position of high commissioner at this time, when there is admittedly equality of status as between this country and Great Britain, makes the matter a great deal more serious than would otherwise be the case. Let me illustrate what I have just said. We have in Canada at the present time a representative of His Majesty's government in Great Britain in the person of the High Commissioner for Great Britain in Canada. If the same interpretation is to be applied by the British government to that post as the Prime Minister to-day is applying to the post of High Commissioner for Canada in Great Britain, then the British government should appoint to Canada in the position of high commissioner a political agent, a representative of the Labour party in Great Britain who would be in close association politically with the Labour government in Great Britain. Has Great Britain taken that attitude in appointing her high commissioner? When Sir William Clark was appointed to Canada, he was appointed by the government of the Right Hon. Stanley Baldwin, a Conservative administration. Mr. Baldwin's government changed, and the government of the Right Hon. Ramsay MacDonald came into office in England. If the interpretation of the high commissioner's office is that which the Prime Minister of Canada has put upon it, then the moment the government in Great Britain changed, there should have been a change in the person of the High Commissioner for Great Britain in Canada. If he had been appointed originally as the agent of one political party and another political party came into office in Great Britain, then that other political party should have sent a political representative here. I ask hon. gentlemen how we in Canada should feel if a change of that kind were made? I ask the Prime Minister how he would have felt, or would feel to-morrow, if the Ramsay MacDonald government said: We are of the opinion that our representative in Canada should be someone in close political association with the Labour party in Great Britain, and we are therefore sending as high commissioner to Canada a political partisan in order to see that our policies are carried out in the particular way we think desirable and in order to make those policies prevail in the Dominion. I venture to say our confidence in the high commissioner would be lost at once.

I should add this further fact. The position that Sir William Clark held prior to the time he came to Canada was that of a member of the diplomatic service who had gone into the diplomatic service as a career. In exactly the same way as Mr. Massey had taken up public service—

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: He was a Liberal candidate first.

Mr. MACKENZIE KING: In exactly the same way—I do not know what hon. gentlemen are laughing at—the Hon. Mr. Massey accepted the position of minister to Washington in order to devote his life to the diplomatic service of Canada. That was the reason he gave up his business connections and many other associations when he accepted that position. He accepted that position as a career position, exactly as Sir William Clark accepted his position in the foreign service of Great Britain as a career position. Subsequently Sir William was appointed to his post in the Dominion by the Baldwin government.

May I say further I fail to see wherein it should be a reflection upon any man that he has belonged to a political party. I do not believe that the record of the services of those who have left politics for diplomatic posts will justify any jeer on that score. Take the ambassadors of Great Britain. The right hon. Lord Bryce, who was appointed to Washington, had been a member of a Liberal government in England. He was retained in Washington by a Conservative administration. The Right Hon. Lord Crewe, who was ambassador of Great Britain to Paris, had also been a minister of the crown in a Liberal administration. He was retained as ambassador and filled that same position under different governments. Names like Lord Bryce and Lord Crewe are not any the less honoured because these gentlemen previous to their appointments as diplomats were associated with a political party. They are judged by the manner in which they discharged their duties after accepting office.

Take the position of members of the judiciary in this country. No one thinks of raising a question with respect to a member of the bench on the score of his having been a

Conservative member of parliament or a Liberal member of parliament. When an hon. member accepts a position on the bench he leaves his party views behind him, and he accepts the position knowing that it will remove him entirely from political strife and political life, and I say that exactly the same view should be taken with respect to anyone who accepts the position of High Commissioner of Canada in Great Britain. He ought to look upon the position as one which demands in the strictest sense of the word an absence of partisan actions of any character. He must certainly be prepared to carry out the instructions and directions of his government. He must carry out their policies, and the government always has it in its own hands to remedy the situation if he fails to do so. Any ambassador in a foreign country is obliged to carry out the policies of the administration that may be in office in the home country. If he does not agree with those policies and feels it on his conscience not to further them, he must resign, but so long as he fills the position of ambassador, which is in every country a very trusted post, his duty is to further the policies that are those of the government of the day. That has been found to work admirably in the British foreign office and in the British diplomatic service all over the world. We in Canada at this time when this country is coming more and more to the fore as a nation, with all the attributes of a nation, and with a status politically that is equal to that of Great Britain herself in reference to international questions, cannot be too careful to follow the highest example, and I submit that in this regard there is no better example than that of Great Britain herself.

Last year my right hon. friend did give to the house a statement of his point of view on the position of High Commissioner and the office. I read from Hansard of September 20, 1930:

> With regard to the position of high commissioner I can point out only that it is a statutory office. Provision is made for that office by a statute passed by this parliament in the days of Sir John A. Macdonald. From that day until this the position has been of a political nature, using the word in the large and proper sense of the term. In the judgment of this administration the high commissioner should not only reflect the policies that are originated and initiated by the government of Canada, but enjoy to the fullest degree the confidence of the administration and reflect the spirit and attitude of mind of the administration towards the problems with which they have to deal. It therefore follows that the incumbent of that office is practically a member of the administration so far as the discharge of his duties in London is concerned. He is not a diplomat, for under the convention of 1926 communications are from prime minister to prime minister. Between nations such as the United States, France or Japan, communications are through the minister and from the minister to the governments of those countries. In addition to that of course it is known that a minister is appointed by the sovereign while the high commissioner is appointed by the government. The statute has provided in terms that the high commissioner shall be the agent of Canada in Great Britain; that he shall be responsible for discharging the obligations of practically the Minister of Immigration in Great Britain and that he shall deal with such other financial and commercial matters as may be entrusted to him.

The one sentence there that seems to me to sum up everything is this:

> The statute has provided in terms that the high commissioner shall be the agent of Canada in Great Britain.

He is the agent of the country, not the agent of a political party, and I think my right hon. friend has already found out that he would have been a little more fortunate in his choice if he had held to one who had had some diplomatic training and experience and had justified his selection, and had not ventured quite as far as he did into the political arena.

Mr. BENNETT: Mr. Chairman the matter may be put very simply: Whoever is High Commissioner for Canada in London must have the confidence of the government of this country.

Mr. MACKENZIE KING: May I ask my right hon. friend if that is not true of ambassadors in all countries?

Mr. BENNETT: It is a different matter, however, if the incumbent of the office has so voluntarily expressed himself as to make confidence in him impossible. The recognition of that fact by the gentleman in question undoubtedly induced him to resign.

Mr. MACKENZIE KING: I take exception to the remarks of my right hon. friend. The letter to the Prime Minister was worded courteously. He handed in his resignation when he was compelled to do so.

Mr. BENNETT: He was not compelled.

Mr. MACKENZIE KING: He was not compelled?

Mr. BENNETT: No.

Mr. MACKENZIE KING: On that point I differ from my right hon. friend. Mr. Massey would never have resigned if the present Prime Minister had not told him plainly that he intended that post to be of a political nature and that he wanted someone to fill the position who politically would be his personal friend.

Mr. BENNETT: It may be that Mr. Massey discussed the matter more fully with the leader of the opposition than he did with me. I say that Mr. Massey was not asked for his resignation. He was asked this, however: "Do you think in view of the fact which I mention you could possibly maintain the confidence of the government, or give it yours?"—and he resigned. Properly so.

Mr. MACKENZIE KING: What answer did he make to that question?

Mr. BENNETT: The answer he made was this: I put to him the circumstances under which he came into public life; I put to him the circumstances in connection with the duty on agricultural implements and his expressions of opinion concerning the then Prime Minister and government of the day. I put his statements to him fairly; I put to him the communications which he had had with the then leader of the opposition. I put the fact to him that within a few months later he accepted office under the man whom he had thus described. He sought from the electors of the county of Durham a seat in parliament; that seat was denied him. I refer hon. members to the speeches he made and the attitude he took concerning the policies he espoused. Then I turned to him and said, as I now say to his spokesman in the house: "Can you possibly represent the administration of this day anywhere, at any time, in any place?" Do hon. members think he could? Would any man give such a man a power of attorney to act as his representative, in view of those facts? In business could that be done? Could it be done in commerce? I ask those questions, as a matter of fair dealings between men. How could I carry on? How could any Prime Minister carry on business in London with that man as his representative? He had made statements publicly; he had made statements regarding the then opposition which made it impossible for one charged with responsibility to open his heart to him. How could one open his heart to him? How could it be done? And in turn how could he open his heart to that Prime Minister? Let us be fair about these things. The conduct of the business of government is not the easiest thing in the world. It is a complex matter; it involves checks, balances and adjustments. The statutes provide the conditions under which a man shall be high commissioner. What are they? Among other things he represents the Department of Immigration. Listen to the words of the statute: "under the Minister of Immigration." Yes, "under the Minister of Immigration." In other words the high commissioner is a civil servant appointed by statute, which provides for his salary and the services he shall render as a civil servant. Under the circumstances was there anything left to do but to say to him, "Do you think under such circumstances you could represent this government as its agent, and as the alter ego of the government or speak for it?"

Mr. GARLAND (Bow River): Does Mr. Ferguson do that?

Mr. BENNETT: We will come to that presently. That was the difference between us. On one hand an ambassador is appointed by the sovereign and the high commissioner by order in council. One is the appointee of the government and the other on the recommendation of the government is appointed by the sovereign. One is a civil servant and the other is not. One discharges political duties and the other discharges diplomatic and political duties. One is an agent of the government under the terms of a statute. Where is the statute which defines the duties of a minister? Where is it? Would anyone think of appointing a minister to represent—

Mr. MACKENZIE KING: I would call your attention to the fact, Mr. Chairman, that it is six o'clock.

Mr. BENNETT: Yes, it is six o'clock.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 26, respecting the Restigouche Log Driving and Boom Company—Mr. Hanson (York-Sunbury).

Bill No. 20, respecting a certain patent of A. R. Wilfley & Sons, Incorporated—Mr. Anderson (High Park).

GRAIN INSURANCE AND GUARANTY COMPANY

The house in committee on Bill No. 13, respecting Grain Insurance and Guaranty Company—Mr. Kennedy (Winnipeg South Centre)—Mr. Geary in the chair.

Sections 1 to 3 inclusive agreed to.

On section 4—Rights of holders of preferred stock.

Mr. BOTHWELL: Has this bill passed the committee, and were any amendments or changes suggested?

Mr. HANSON (York-Sunbury): In the absence of the sponsor of this bill I might say that the bill was fully considered this week in the banking and commerce committee and unanimously reported without amendment. Everything that is sought to be done in the bill could be done under the Companies Act by supplementary letters patent if this were a company incorporated under that act, but because it is an insurance company it is necessary to come to parliament.

Mr. SPEAKMAN: Is the whole change in the bill the increase in capital stock?

Mr. HANSON (York-Sunbury): No, the capital structure is being changed by the creation of preferred shares out of the present common stock.

Section agreed to.

Sections 5 to 8 inclusive agreed to.

Bill reported, read the third time and passed.

ANCIENT ORDER OF FORESTERS

The house in committee on Bill No. 27 respecting the subsidiary high court of the Ancient Order of Foresters in the Dominion of Canada—Mr. Chevrier—Mr. Geary in the chair.

On section 1—Management fund.

Mr. BOTHWELL: I assume this bill was approved by the banking and commerce committee as well?

The CHAIRMAN (Mr. Geary): I have a note on the back of the bill that it was reported from the committee.

Section agreed to.

Sections 2 and 3 agreed to.

Bill reported, read the third time and passed.

BURRARD INLET TUNNEL AND BRIDGE COMPANY

The house in committee on Bill No. 31, respecting the Burrard Inlet Tunnel and Bridge Company—Mr. Munn—Mr. Geary in the chair.

Sections 1, 2 and 3 agreed to.

On section 4—Power to replace span.

Mr. WOODSWORTH: Just for the sake of information I should like to know whether the new span will be sufficiently wide to allow ships to pass without the danger of another similar accident happening. I have had complaints from the masters of ships that the old bridge was quite unfit. Owing to the tide the boats could not possibly be sure of getting through without damage. I would ask the mover for some statement on that point.

Mr. HANBURY: In answer to my hon. friend's inquiry, may I inform the house that the width of the span will be the same as previously. It is anticipated, however, that regulations will be made by the harbour commissioners of Vancouver to control the traffic in such a way as to reduce to a minimum the possibility of accidents in the future.

Mr. WOODSWORTH: I was not on the committee, but that arrangement does not seem to me to be at all satisfactory to the masters of ships. They tell me that it is impossible under certain conditions of tide to go through without danger of ships running foul of the piers.

Mr. HANBURY: I can assure the hon. gentleman that the shipping people of Vancouver have given the suggested changes their careful consideration. Until probably a week or ten days ago they felt as the hon. member does; but having been given full information in connection with the proposed permanent changes, which will be made in the course of a few years, they have agreed, I understand, that the span should be replaced, and they will offer no further opposition.

Section agreed to.

Bill reported, read the third time and passed.

BANKRUPTCY ACT AMENDMENT

Mr. JOHN T. HACKETT (Stanstead) moved the second reading of Bill No. 28, to amend the Bankruptcy Act (Priority of Claims).

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Hanson (York-Sunbury) in the chair.

On section 1—Priority of claims for wages, salaries and commissions.

Mr. GUTHRIE: Explain.

Mr. HACKETT: Mr. Chairman, bankruptcy offers a method as well as a means for distributing among his creditors the property of a man who is unable to pay his debts in full. According to the act, creditors are divided into two classes, ordinary and preferred. Among the preferred creditors are servants who work for a salary. That class

has always been recognized as being entitled to preferential treatment and to be paid their wages for a period of three months preceding a winding-up order. The purpose of this amendment is to provide for a class of servants hitherto unprovided for. A large number of salesmen receive their renumeration for their work either when the goods sold have been delivered, or have been paid for, or at some fixed time after either events. Travelling salesmen are now going throughout the provinces selling goods to be delivered next autumn, and most of them will receive payment for their efforts thirty, sixty and ninety day after the goods have been delivered or after they have been paid for. The purpose of this amendment is to entitle these men to preference for their wages when a period of not more than three months has elapsed from the date their wages became due. If a salesman were to sell a bill of goods to be delivered on January 1st, and under the terms of his contract he is to receive his salary, wages, commission or whatever you choose to call it, thirty days after the goods are paid for, and the goods were to be paid for on March 1, he would have a preferred claim should the firm for whom he is working happen to go into bankruptcy within three months after March 1.

Mr. VENIOT: That is not now the case.

Mr. HACKETT: No. But there is nothing new in the principle involved. There are forty odd thousand travelling salesmen in this country who are denied the benefit of a preference for their wages falling due during the three months which precede a bankruptcy. This amendment seeks to give to that large class the privilege extended to others.

Mr. NEILL: Mr. Chairman, I have no antagonism to the principle of this bill except that I find that it will give to these men working on commission a double priority. They will be given priority for the three months following the date of the assignment, but there will be commissions falling due before that from previous transactions or possibly cash sales—these men do not sell exclusively on a basis of payment in three months; sometimes they sell for cash—and they would be given priority for the three months prior to the date of assignment as well as a further three months following the assignment.

Mr. HACKETT: I do not think that that would happen. After earning their commissions some of these men have to wait from six months to a year before receiving them. There might be cash transactions within the three months preceding bankruptcy which would entitle them to preferential payment.

Mr. NEILL: And earnings falling due within that period.

Mr. HACKETT: Yes. At the proper time an amendment to this section will be offered.

Mr. HEAPS: Is there any such thing as a legal definition of the term "travelling salesman"?

Mr. HACKETT: I merely took that class as an example. The section of the bill reads as follows:

> Thirdly, all wages, salaries, commissions or compensation of any clerk, servant, travelling salesman, labourer or workman, in respect of services rendered to the bankrupt or assignor during three months before the date of receiving order or assignment:

Mr. ILSLEY: Will the hon. member explain the necessity for the words:

> —moreover, that any advances made on account of such commission shall be deemed to have been legally paid on account thereof;

Mr. HACKETT: The Bankruptcy Act provides that certain payments made within thirty or sixty days prior to a bankruptcy are presumed to have been made in anticipation of bankruptcy and are therefore illegal. An exception is made in the case of wages, and this section would put the payment of commissions in the same class and exempt them from the presumption of fraud which attaches to ordinary payments made in anticipation of bankruptcy.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I would point out to the hon. member that if he desires to make any amendment, this is the appropriate time.

Mr. HACKETT: I move:

> That the word "or" in the eighteenth and twenty-first lines be deleted and the words "or payment" be added in the eighteenth line after the word "delivery" and the words "or paid for" be added in the twenty-first line after the word "delivered."

The CHAIRMAN (Mr. Hanson, York-Sunbury): I would like to point out that the hon. member cannot amend his own bill.

Mr. GEARY: I move that amendment

Mr. NEILL: Would the introducer of the bill be kind enough to read it as it will be when amended, beginning with the words "provided that commission."?

Mr. HACKETT: It will read:

Provided that commission earned more than three months before the date of a receiving order or assignment, but not payable (by the terms of the creditor's agreement) until the shipment, delivery or payment of the goods sold, shall be deemed to have been earned within three months of the date of the receiving order or assignment, when the said goods have been shipped, delivered or paid for within three months of the receiving order or assignment.

Mr. NEILL: Would the hon. member in charge of the bill not think it better if it read: "delivery of or payment for the goods sold"? It is better English anyway.

Mr. ILSLEY: I think the hon. member's point is well taken.

Mr. HACKETT: Yes—"Shipment, delivery of or payment for."

Mr. ILSLEY: The hon. member for Comox-Alberni a few minutes ago raised a point that was not cleared up, at least to my satisfaction, and that is whether there might not be more than three months' priority. Suppose a travelling salesman were working on a cash basis during the last three months before bankruptcy. He would receive priority for his full time for those three months. Then if commissions fell due for previous transactions, he really might be crowding into those last three months much more than three months' priority. Is that not correct?

Mr. HACKETT: I think that is correct, but that is exactly where the difficulty lies, that people who work for those commissions are precluded from payment for six, nine or twelve months, and in that event the man would be receiving merely what he would have received months before had he been receiving a daily, weekly or monthly stipend. This is a peculiarity of the commission arrangement.

Mr. ILSLEY: I understand that, but there is a possibility, under this amendment, that he may be getting priority for much more than three months' pay for his work. Is that not correct? Let me put the case again, because I doubt whether the sponsor of the bill understood it before. This is the case I have in mind; Suppose a travelling salesman were working on a cash basis, getting paid day by day for what he does—that might or might not be possible—during the last three months before bankruptcy. Under the bill as it stands he gets priority for three months' remuneration. Then, under the proposed amendment he also gets priority for such commissions as may fall due during those three months for work that he has done six, nine or twelve months previously. In other words, in the case I have put, he gets a priority that an ordinary wage earner does not receive. There may be some explanation. The point has just occurred to me.

Mr. HACKETT: That is quite correct, but I do not know that it is altogether a likely case. Let us suppose that a man were working on commission, he might finish his work at the end of May, his commissions might not fall due until early next year. On June 1 he goes to work on a cash basis for someone else. The situation would be identical, but still, under the amendment, he would preserve his right to priority in the event of bankruptcy to all commissions falling due within three months of a receiving order.

Mr. NEILL: In that case he would have lost his right of priority, would he not? Does the law not require the man to be in the employ of the bankrupt right up to the date of the assignment?

Mr. HACKETT: The amendment would give him that priority.

Mr. BOTHWELL: Why should the commission man be preferred in any way to the ordinary wage earner who may have earned wages over a period of, say, a year before the assignment?

Mr. HACKETT: He is not. He comes in as an ordinary employee. The only difference is that under this system the man, instead of receiving wages, weekly, fortnightly or monthly, has to wait six, nine or twelve months for his commission. This merely gives him a priority in regard to amounts which fell due within the three months preceding a receiving order.

Mr. NEILL: That is exactly what the bill does not say. It does not say a priority for three months' earnings. It says, "commission earned more than three months before." He might earn twelve months' commission and it is all to be considered as coming in under the three months' priority. That priority should be limited at least to three months' earnings of commissions. Now he can get priority for twelve months' earnings.

Mr. HACKETT: Only if the commission falls due within the three months.

Mr. BURY: I think the difference between the commission man as dealt with in the bill and the ordinary wage earner is this, that the ordinary wage earner can sue for his wages that have been earned prior to the three months, as soon as they have been earned, whereas the commission man is tied

up; he cannot sue. In other words, he may have earned his commission and he may see his employer going on the rocks, but his hands are tied by reason of the agreement that his commission is not to be paid until the goods are delivered or paid for. He has absolutely no protection. In other words, he is in quite a different position from the wage earner who can take immediate summary proceedings to cover his wages earned prior to the three months; the commission man cannot do so.

Mr. BOTHWELL: The commissions of the commission man, I presume, are falling in from month to month and he is being paid commissions from time to time throughout the year. This amendment will permit him to get commissions which have been earned beyond the three months period, but not payable before the three months period. That will mean that he has priority over the claims that fall in during the three months prior to the assignment and also will have priority for the commissions that have been earned, say, during the twelve months before that. The commissions have been earned but are not payable. By way of illustration an ordinary farm labourer who is working for a period, say, of eight months, and is to be paid in the fall, has priority for only three months' wages. Suppose he works eight months at $40 a month, payable in the fall; he has priority for only three months' wages.

Mr BURY: He can sue for his wages.

Mr. BOTHWELL: He cannot sue until his wages become due, which may be at a date after the assignment. This commission man has clearly a preference over the ordinary wage earner.

Mr. SMOKE: It seems to me that a number of hon. members are labouring under a misapprehension. If they will refer to line 21 and following lines of the amending bill they will see that it is limited to the goods which have been shipped or delivered within three months of the receiving order or assignment. Surely it cannot be contended that the preference amounts to more than the commission on the goods shipped in the last three months prior to the assignment.

Mr. NEILL: There might have been a whole summer's trade done in the three months.

Mr. SMOKE: That might accidentally happen.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

CRIMINAL CODE AMENDMENT

FORGING OF TRADE MARKS—SALE OF GOODS FALSELY MARKED

Mr. G. R. GEARY (South Toronto) moved the second reading of Bill No. 34, to amend the criminal code (trade marks).

Mr. A. W. NEILL (Comox-Alberni): I rise to a point of order, Mr. Speaker. At page 1517 of Hansard, in the debate on May 12, you ruled as follows as to this particular bill:

> Yet rule No. 3 as it appears and has been quoted at page 348 of Beauchesne's Parliamentary Rules and Forms has not been complied with in the preparation of the bill now before the house.

I cannot find, sir, that it has been complied with since, because the bill is in exactly the same form in which it was last Tuesday.

Mr. GEARY: Is my hon. friend taking the point of order that the bill is not in order, or that his point of order taken against the bill when it was last before the house was considered favourably by your honour? I think there was no ruling by your honour. The last words of your honour were to the effect that it would be well to refer the bill to the law clerk for consideration. Following your honour's suggestion in that regard the bill has again been referred to the law clerk, who says that it is perfectly in order in every way.

Mr. NEILL: The law clerk says so?

Mr. GEARY: Yes.

Mr. SPEAKER: With all due deference to the law clerk, this bill and several others on the order paper do not in all particulars comply with the rules. I have looked at several of these bills and most of them are proposed amendments to existing legislation. I do not think it would be well to delay the passage of the legislation or to incur the expenditure necessary for reprinting the bills. I do not think the house or any member will be misled by the form in which the bills appear at present, and the discussion that has taken place will serve as a notice to hon. members who are introducing legislation in the future. My ruling will be that Bill No. 34 is in sufficient compliance with the rules to be proceeded with.

Mr. NEILL: I accept your ruling, Mr. Speaker, but will it not be necessary to pass a resolution to rescind your ruling of last Tuesday?

Mr. SPEAKER: My ruling made just now is plain enough.

Mr. NEILL: All too plain.

Motion agreed to and bill read the second time.

Mr. GEARY moved that the house go into committee on the bill.

Mr. NEILL: The bill has not been read a second time yet, Mr. Speaker, We are waiting for the hon. member to move the second reading. It was the point of order that we were discussing.

Mr. GEARY: When the order was first called I rose and moved the second reading, the first time I was on my feet.

Mr. SPEAKER: The motion to go into committee is not debatable.

Mr. NEILL: This is really beyond the limit. Surely any hon. member is entitled to speak on the second reading of the bill, and whoever heard of an hon. member speaking to the second reading of a bill before the member in charge had given an explanation. It would have been considered discourteous if I had butted in ahead of my hon. friend from South Toronto. There must be some courtesy and decency in the debate, I should think.

Motion agreed to and the house went into committee, Mr. Hanson (York-Sunbury) in the chair.

On section 1—Forgery.

Mr. GEARY: I should like, Mr. Chairman—

Mr. NEILL: I would ask, Mr. Chairman, that you read each section. I think that is the rule when the reading of the sections is requested, so that we can get some faint idea of what the bill really means.

Mr. GEARY: If my hon. friend had not interrupted, he would have seen that I was proceeding, with your permission, Mr. Chairman, to explain the sections of the bill.

Mr. NEILL: It is not your explanations that we want, at present, but the reading of the sections by the chairman.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Is it the pleasure of the committee that I read the sections? Section 1 reads as follows:

1. Section four hundred and eighty-six of the revised statutes of Canada, 1927, is repealed and the following is substituted therefor:—Criminal Code, chapter thirty-six of the

"486. (1) Every one is deemed to forge a trade mark who either

(a) without the assent of the proprietor of the trade mark makes or reproduces in any manner that trade mark or a mark so nearly resembling it as to be calculated to deceive; or

(b) falsifies any genuine trade mark, whether by alteration, addition, effacement or otherwise.

(2) Any trade mark or mark so made, or reproduced, or falsified is, in this part, referred to as a forged trade mark."

Mr. GEARY: This bill is introduced at the request of certain persons who have been interested in the protection of trade marks, whether used as labels or in any other way in which a trade mark is used. The right to the use of a trade mark is for the protection of the person owning the trade mark and applying it to goods of his manufacture. If that trade mark be allowed to be reproduced and applied to goods which are not of his manufacture the manufacturer is being deprived of his rights, and at the same time goods, possibly of an inferior quality, are being imposed upon the public by some manufacturer other than the one in rightful possession of the trade mark. I understood from those who asked me to promote this legislation that section 486 of the criminal code was not clear enough to enable a conviction to be had for an infraction of such section 486. It was found that if a man had trade marks and packages together in his premises obviously with the intention of applying the trade mark to the packages and going into the market with the substituted goods, he could not be convicted unless it was proved he himself forged the trade mark. If he had the forgeries prepared by others and only had the forged trade mark in his possession, there was no offence. Moreover it was found that unless he had actually applied the trade mark or label to the package there was no offence under the code. It was quite obviously the intention that no one should secure forged trade marks and packages which were designed to carry a certain trade mark and place himself in a position whereby he could issue goods of a spurious nature deceiving the public as to the true source of manufacture. In a good many industries matters have come to a serious pass and I understand the Minister of Justice (Mr. Guthrie) agrees that this legislation will remedy the fault which now exists under section 486. The proposal is that the section should have added to it in the second line of section (a) the words "or reproduces in any manner." That is, if the offender does not forge the trade mark but by means of a die reproduces it, he is equally guilty. That would seem to be sound common sense. Subsection 2 is amended by adding the word "reproduced." Any trade mark so made or falsified is referred to as a forged trade mark. It is quite obvious, however, that a reproduction would be an equal forgery,

and that point is cleared by the amendment to subsection 2. I am quite frank to say that the unsatisfactory condition of the law in regard to trade marks has created some havoc in a good many rather popular industries; at least it is creating difficulties among the consumers of certain of the manufactures of those industries.

Mr. NEILL: I wish the hon. member would particularize the industries to which he has referred.

Mr. GEARY: In my province and in other provinces the government of the day has seen fit to ensure that the people who are consumers of well known—

Mr. VENIOT: Spirits?

Mr. GEARY: —commodities in the production of which Canada I understand stands second to none, are sometimes deceived by reproductions of the product being forged upon them at the price of the original and proper product. We do not want that to occur, because it would seem to be a dangerous practice.

An hon. MEMBER: What is the product?

Mr. NEILL: Mr. Chairman—

Mr. GEARY: For instance it might even be Quaker oats.

Mr. NEILL: I am indeed saddened to hear the reputation given to the province of Ontario by the hon. member for South Toronto. I have always understood that that city was preeminent for its virtues. I assure him that the difficulties which he describes are a surprise to me; we are not troubled in that way in the province of British Columbia—at least we have the decency to keep quiet about it. We do not have to go to parliament to have our grievance remedied. The hon. member who introduced the bill, either out of kindliness and courtesy or out of some lingering sense that he had not given me a fair deal on the second reading, has been now allowed contrary to the rule to give a general explanation of the bill. I appreciate the courtesies which have been extended to him and ask that I be allowed the same latitude. You are aware, sir, that what has been called the principle of the bill is generally discussed on the second reading. I was looking for that principle in order to discuss it, but I have had great difficulty in finding it. I am not using the word "principle" in the sense of the difference between right and wrong, but in the sense of a line of thought running through it or a line of action running through it intended to arrive at certain desirable ends. However I cannot find any principle in the bill. To my mind it is an incoherent collection of amendments, some contradicting each other, in others wholly needless.

To begin with, my first comment on section 486 as amended is that it pains me to point out that in addition to complying only to a very limited extent with the rules as to form, whoever drew up this bill erred in another way. I think I am paying the hon. member for South Toronto a real compliment when I say that I hesitate very much to think that he was the originator of the bill. In all charity I believe some other lesser light handed it to him and placed upon him the responsibility of putting it through the house. With the respect I have for him, his brilliant legal career and the position he occupies in that great city of Toronto, the Babylon of Canada, I do not believe he originated this bill. If hon. members think I am not right in the use of the word "Babylon," I would ask if the conditions described by the hon. member himself could not be likened to that of Babylon. When we look at the fourth line of section 486 we find certain words underlined, showing that those words are being introduced anew into the bill. I do not believe there has been any deliberate attempt to deceive the house; the mistake may have been made unintentionally or inadvertently, but certainly the result is to misrepresent the case because one of the words underlined is, in fact, in the original act. May I point out that the word "makes" is in the original act, although, in this amended section we are led to believe that the word "makes" is not in the original. Under ordinary circumstances the addition of a word here or there might be of little consequence, but in this particular case it makes a great deal of difference. I cheerfully agree—

The CHAIRMAN: It is now nine o'clock.

Mr. NEILL: Oh, I am sorry.

Progress reported.

SUPPLY

DEPARTMENT OF EXTERNAL AFFAIRS

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

The CHAIRMAN: When the committee rose at six o'clock we were considering item No. 300 on page 62 of the estimates, concerning the office of the High Commissioner for Canada.

Mr. BENNETT: When the committee rose at six o'clock I was continuing my statement with respect to the position of the Minister at Washington. My right hon. friend suggested that he had been—

Mr. DUFF: London.

Mr. BENNETT: No, Washington. My right hon. friend suggested that he had been transferred to London. I think that is an improper term to use. The truth is the order in council was passed on July 24, 1930, appointing Mr. Massey to London. It is not correct to say that he was appointed to London in the month of May or any other date, because the order in council was dated, as I say, July 24, 1930. It was approved on that day, the order being passed the day before. It reads:

The committee of the privy council, on the recommendation of the Secretary of State for External Affairs, advise that the Honourable Vincent Massey, a member of His Majesty's Privy Council for Canada, be appointed High Commissioner for Canada in London from the 23rd July, 1930, under the act, chapter 92 of the revised statutes of 1927, in succession to the Honourable Peter C. Larkin, deceased; and that his duties include supervision over the various agencies of the Canadian government in the United Kingdom as described in the order in council (P.C. 330, 10th February, 1922) by which Mr. Larkin was appointed.

The committee, on the same recommendation, further advise that His Majesty the King in respect of Canada be humbly moved to issue Mr. Massey's letter of recall from the United States, and to indicate that Mr. Massey has fulfilled his mission to the entire satisfaction of His Majesty in respect of Canada.

That was the order in council which removed Mr. Massey from Washington and appointed him to London. I said it removed him from Washington; that is hardly a correct term. It asked that his letters of recall be granted, and as a matter of fact the way in which a minister is withdrawn is not by order in council. He has his letters of recall signed by the sovereign on the application of the government affected, and in this instance the letters of recall were actually signed on the day this government came into office. They subsequently came back to Ottawa from London; they were signed on the 7th day of August, 1930, so on the 23rd of July Mr. Massey was appointed, the approval being given on the succeeding day, and his letters of recall were actually signed by the sovereign on the 7th of August of last year.

Mr. MACKENZIE KING: Have they been presented as yet to the president of the United States?

[The Chairman.]

Mr. BENNETT: I think not. The order in council appointing Mr. Larkin, to which reference has been made, contained these words:

The minister considers that this is an appropriate occasion for defining the duties of the Canadian High Commissioner. The statute creating this office (43 Vic. chap 11) provides that the high commissioner should act as the duly accredited representative of Canada and resident agent of the Dominion in London to watch over the growing interests of Canada in the United Kingdom. The policy embodied in the original act creating this office has been departed from in that there are in London at the present time direct representatives, having practically independent and separate offices, of the Departments of Immigration, Trade and Commerce, Soldiers' Civil Reestablishment and Board of Pension Commissioners, also other departmental representatives carrying on their work outside the control of the High Commissioner.

The minister submits—

That is my right hon. friend opposite.

—that there is necessity in this connection to coordinate these activities, and prevent overlapping. It has frequently happened that the same matters were dealt with by different offices and agencies at the same time, thus producing confusion and injury to Canada's reputation and the effectiveness of its administrative methods.

The Secretary of State for External Affairs therefore, both on the grounds of economy and efficiency, and with the concurrence of the ministers concerned, recommends that all the official activities of the various agencies of the Canadian government in the United Kingdom should be placed under the supervision of the high commissioner.

The Secretary of State for External Affairs further recommends that the high commissioner should in all matters of public policy communicate direct with the Prime Minister.

The committee concur in the foregoing recommendations and submit the same for approval.

That order in council was passed on February 10, 1922, and reference was made to that order in council in express terms when Mr. Massey was appointed on the 23rd of July, 1930. It is the basis of the observation I made last session, that the high commissioner must be taken to be practically a member of the administration. Mr. Larkin was sworn of the privy council shortly after his appointment. Mr. Ferguson was sworn of the privy council. It was felt that one who is charged with the responsibility for the conduct not of one but of several departments of the public service in London must occupy a position almost analogous to that of a member of the government, and he is so treated. Now, for instance, in the office at London at the present time you will find lodged the high commissioner, the immigration office, a branch of the Departments of Trade and Commerce, Agriculture,

Customs, Soldiers' Civil Reestablishment and Secretary of State, and there are also branches of the Archives and the air force in other offices.

The result is that to all intents and purposes the High Commissioner for Canada is minister in London, apart from being high commissioner, for immigration, trade and commerce, agriculture, customs, soldiers' civil reestablishment and secretary of state. I say to this committee that during all the time Mr. Massey was in the United States he discharged no duties analogous to these at all, and no minister from this country to Tokyo or Paris discharges any such duties or exercises any such oversight in connection with the activities of Canada in those countries. There is such a clear distinction that all you have to do is go into the offices and observe them. I did say to Mr. Massey that I thought he had discharged his duties at Washington with credit and distinction alike to himself and to this country, but he discharged what might be called the ornamental duties which appertain to the office of minister. For instance, he had a commercial attache, Mr. Mahoney, at Washington, who looked after these matters in that city. That cannot be said in any sense to be analogous to the departmental activities of our representative in London, and in the duties discharged so effectively by Mr. Massey, the social obligations of a great office in Washington, he had nothing analogous to these duties which must be discharged by whomever is the high commissioner in London, because these branches of the departments of government of this country which are under that roof in London must be administered by the high commissioner.

Sir Alexander Galt was the first high commissioner from this country. He was appointed to London by Sir John A. Macdonald. Part of the correspondence between Macdonald and Galt has been published. Part of it will be found in the letters of Sir John A. Macdonald; part will be found in the life of Sir Alexander Galt, and part has not been published at all. There is no doubt, however, that while on the one hand Sir John Macdonald regarded Sir Alexander Galt as a Canadian ambassador, on the other hand he treated him as reflecting the mind of his government, and he was very clear in that regard. Then there came Sir Charles Tupper. Would anyone for a moment say that had the government of the day been defeated, Sir Charles Tupper could have remained in London representing a Liberal government in Canada? Has anyone ever taken the trouble to read the debates in this house showing the attitude of the Liberal party towards Sir Charles Tupper and his administration of the affairs of Canada as high commissioner in London? Would anyone for a moment say he would have been accepted as high commissioner had the Liberal government succeeded in the days of Mr. Blake, or later in the days of Sir Wilfrid Laurier? When Sir Donald Smith, afterwards Lord Strathcona, was appointed to succeed Sir Charles Tupper at London, it will be recalled that Sir Charles Tupper came to Canada to take over the position of Prime Minister. He came over as the Conservative Prime Minister. Previously he had come to Canada to participate in a general election; he took part in that election and then returned to his office as high commissioner. The relations between him and Sir John A. Macdonald were of such a character that they are well described by the mention of that famous cablegram which Sir John Macdonald sent to him, saying that the situation was getting rather complicated and his presence here was greatly desired. Sir Charles Tupper cabled, "Sailing to-morrow," and he came to Canada and took part in the election. Then he went back and remained as high commissioner until he came out to Canada as Prime Minister. Following that, Sir Donald Smith, afterwards Lord Strathcona, was made high commissioner.

While Sir Donald Smith was high commissioner, the general election of 1911 took place. Lord Strathcona came out and offered his resignation both to Sir Wilfrid Laurier and to Sir Robert, then Mr. Borden. Neither accepted it. The one said it was not for him to accept it and the other said he was not yet in a position to do so, and he remained there as high commissioner until he died. But it is also known that Lord Strathcona, at a public banquet on Dominion day in London, indicated that he proposed to retire from the office. It is well known that his successor was selected and was named, in so far as a successor could be named without its being made public. That is well known. His position was an extraordinary one. He was a man of advanced years when appointed, a man of great wealth, and he occupied a position that could not be said in any sense to be political. He discharged his duties without regard to the government, by merely carrying into effect the instructions he received. Those who are familiar with the work he did then will realize that the office at 19 Victoria street was an entirely

different place from Canada House on Trafalgar square to-day, both from the standpoint of the work that had to be done, the personnel and the staff employed, and from the point of view of the general attitude which a high commissioner must observe towards the problems that come before him for consideration.

When Lord Strathcona vacated the office the Right Hon. Sir George Perley occupied it; and during a portion of that time, be it known, he was a member of Sir Robert Borden's government. There are those who believe that it is in the interests of this country and of Great Britain as well that the incumbent of that office should be a member of the government of the day in this country. I know that Sir George Perley entertained that opinion and still does, and there are many who share the view. It will be recalled that when Sir George Perley surrendered the office he offered his resignation to my right hon. friend opposite and in due course retired. I do not say that, had he desired to remain, the right hon. gentleman might not have permitted him to do so; but I should be inclined to say he would not. It would not have been his view at that time that the High Commissioner in London should be a former member of a Conservative administration. And indeed, I have always felt—there is nothing new about this—that he would have been entirely right in viewing the situation in that light. Then came the success of my right hon. friend opposite, and with the retirement of Sir George Perley, Mr. P. C. Larkin was appointed high commissioner. Mr. Larkin was a gentleman of large business experience and interests, and he discharged his duties well. But certainly, from any conversations which he ever had with me, I do not think he would have looked upon the office as a political one. He did indicate, however, that had the party with which I was associated been successful in 1925 or 1926 he would have resigned. Whether his resignation would have been accepted or not is, of course, a matter with which the government of that day would have had to deal.

Then Mr. Larkin died and the office fell vacant. Mr. Pacaud, as acting commissioner, has discharged the duties of the office, one of very considerable importance, just as he would normally have discharged them had he been merely secretary. He was appointed acting commissioner and was given a small additional compensation. I may say that he did not receive the emoluments and fees that were paid the commissioner, although he discharged the duties. Then, the office having been vacant from 1929 until July, 1930, Mr. Massey, who was then minister at Washington, was appointed to the post. It well may be that had the post been started on the basis which my right hon. friend mentions it could have been maintained as a diplomatic position. But I think I have indicated sufficient to any hon. member of this house to show that, according to the records of Hansard and the history of the period during which the gentlemen named were high commissioners, in every instance these gentlemen were, shall I say, colleagues, in the large and broad sense, of the Prime Minister and his ministers of the respective governments. And when Mr. Massey found himself in the position he did—and I am free to say that I had no knowledge that action had been taken until after I saw the order in council under which he was appointed, of which, naturally, I was not aware in view of the fact that we did not come into office until August 7—is it not apparent to the house, under these circumstances, that Mr. Massey would be the last man in the world to expect to remain as high commissioner in London?

It is common knowledge in Washington, as it is elsewhere, that Mr. Massey felt perfectly certain that the then government would be sustained. Had he remained at Washington he would not have been dealt with differently from Mr. Marler or Mr. Roy. These gentlemen are still occupying their positions as ministers, and Mr. Marler is a former member of a Liberal administration. He occupies the office in Tokyo and is at present on leave of absence in Canada. He has not been removed from his office, and it has not been suggested that he should be. He is still there. Mr. Roy was a former Liberal senator, appointed for Alberta in 1905, a Liberal by conviction and declaration—indeed, I should say, by warm declarations in recent years. But Mr. Roy occupies his position still and no one questions it. No one has suggested that Mr. Marler should resign. I have not done so. Nor has anyone suggested that Mr. Roy should resign; I have not, nor has the government. These gentlemen are both in the positions to which they were appointed.

But I do draw a sharp distinction between a minister and one who occupies the statutory position of high commissioner, as a civil servant charged with administrative responsibility for a given department of the public service of Canada in London. And for that reason I believe that Mr. Massey felt it was clearly his duty to resign, as in fact he did.

I can only say that the same considerations that moved the government with respect to the positions of Mr. Marler and of Mr. Roy would undoubtedly have moved the administration with respect to Mr. Massey had he remained at Washington. The situation is so entirely different in a foreign country from what it is in Great Britain: it involves so many different problems, so many different angles from which the same problem may be viewed, that I cannot conceive of any Canadian occupying the position of high commissioner who does not command at once the confidence, in the widest sense, of the ministry of the day. He reports directly to the Prime Minister in accordance with the minute which was passed when Mr. Larkin was appointed, and he gives his confidence to the Prime Minister. Mr. Massey was the first to realize the situation, and so resigned.

There is the story, and I am confident, as confident as one can be, that no man can properly discharge the duties of high commissioner who has not, in the large, broad and true sense of the term, that confidence in the policies of the administration which has appointed him, which will enable him successfully to fulfil the functions of his office. For that reason the resignation of Mr. Massey was accepted. And I am bound to say that a high commissioner's resignation would be accepted again to-morrow; and so long as the administration holds the views it now holds, that action must be taken should a similar situation arise at any time.

But let us test the question in another way. Will my right hon. friend say that if he were in office to-morrow he would not expect the present high commissioner to tender him his resignation? It seems to me that one must always test these questions by some practical inquiry.

An hon. MEMBER: Precedent.

Mr. BENNETT: No; there can be no precedent if the right hon. gentleman's views are right.

An hon. MEMBER: He should be recalled now.

Mr. BENNETT: The high commissioner is not here to speak for himself, but in Canada he was well able to do so. The gentlemen who are so vociferous in their attacks at this moment would be silent in his presence. May I venture to say—

Mr. LAPOINTE: Bring him here.

Mr. BENNETT: Well, urge me no more. The hon. member remembers Regulus before the Roman Senate. Should there be a change in the administration I have no doubt the right hon. gentleman would expect the present incumbent to resign. Apart altogether from any other considerations which might be in his mind or in the mind of the incumbent, that would be so.

I do not think I can usefully take up the time of the committee any longer. I have endeavoured to explain frankly my appreciation and understanding of this office. I have done that by appealing to the record of history; because I have had to accept responsibility I have not suddenly arrived at an opinion with respect to it. From the opinion which I have held since I first knew of this office I was able to appreciate its historical record. The attitude of mind of the various incumbents of the office towards the government of the day impels me to believe that that office is one in which the incumbent must occupy a position practically analogous to that of a member of the administration. There are those who believe that the incumbent should be a member of the administration, as was the right hon. member for Argenteuil (Sir George Perley) when he was a member of the government of Sir Robert Borden.

I may have imposed a little longer than I had intended upon the patience of the committee, but I was desirous that hon. members should understand the principles which actuated the government in accepting the resignation of Mr. Massey. I repeat that I pointed out to him that he had discharged his duties in laying the foundation for the future administration of his office in a manner acceptable to the Canadian people, and that he had brought credit and distinction upon both himself and them. I said with great frankness to him then, and I say it now publicly in this house, that that had nothing whatever to do with the principle which was involved, the application of which resulted in the acceptance of his resignation.

Mr. MACKENZIE KING: Mr. Chairman, when a few minutes after six o'clock I directed your attention to the fact that the Prime Minister (Mr. Bennett) had gone past the time for recess, I thought he was going too far in other directions as well. After listening to his words this evening, I am inclined to think that he has been reflecting upon what just at the hour of adjournment he was saying in respect to the Hon. Mr. Massey.

Mr. BENNETT: I shall repeat it if desired.

Mr. MACKENZIE KING: I must confess I was somewhat surprised to hear the Prime Minister of Canada make a personal attack of the kind my right hon. friend did upon the character of one who has represented this country in the United States during the past four years with, as he himself now says, such distinction. The right hon. gentleman has just taken to task an hon. member on this side for speaking of a gentleman who is not here to answer for or to defend himself. The Prime Minister knows better than anyone else the care which should be taken by one in his position in making attacks upon any public man who is not in a position to answer and be heard immediately in reply. He gave what purported to be a private conversation between himself and Mr. Massey.

Mr. BENNETT: I must challenge that statement. The right hon. gentleman has a habit of talking about private letters and private conversations. He asked me what I did say to Mr. Massey, and treating him as Mr. Massey's spokesman in this house I answered his inquiry; otherwise it would not have been done. He asked for it and he got it.

Mr. LAPOINTE: Why the heat? There is nothing wrong about that.

Mr. MACKENZIE KING: This afternoon my right hon. friend indicated how he had put the thumbscrews on Mr. Massey, how he had subjected him to a species of inquisition during that interview, and his own words will bear that out. He finally drew from Mr. Massey the statement that unquestionably if such were the views of the Prime Minister of this country it would not be possible for the two of them to work together. My right hon. friend knows better than anyone else that his interviews with Mr. Massey were directed with a view to forcing his resignation, and as Mr. Massey is not here to answer for himself as to the position which he took, I would refer again to the letter which he sent to my right hon. friend, and which sets forth the basis of his resignation.

Mr. BENNETT: And which I am informed the right hon. gentleman wrote.

Mr. MACKENZIE KING: I wish to say to my right hon. friend that that is—

Mr. BENNETT: Which I am advised, I should say.

Mr. MACKENZIE KING: That is an absolute falsehood, and the Prime Minister of this country has no right—

Some hon. MEMBERS: Order, order.

[Mr. Bennett.]

Mr. MACKENZIE KING: —to direct a statement of that kind to anyone in this house.

Mr. BENNETT: We shall discuss it presently.

Mr. MACKENZIE KING: I had no knowledge of the letter which was sent to my right hon. friend or the terms in which it was sent.

Mr. BENNETT: Exactly, or the terms in which it was sent.

Mr. MACKENZIE KING: I use that phrase.

Mr. BENNETT: The right hon. gentleman knew all about it.

Mr. MACKENZIE KING: I knew a letter was being sent to my right hon. friend but I did not know its terms.

Mr. BENNETT: Having regard to the rules of this house, I think the right hon. gentleman will have to withdraw the word "falsehood."

Mr. MACKENZIE KING: The Prime Minister had better withdraw what he said in the first instance.

Mr. BENNETT: The Prime Minister will accept the language of the right hon. gentleman opposite because he is bound to, but the right hon. gentleman must withdraw that word. Not that I care myself, because the statement coming from him has no effect upon the record; but the rules of the house require that it be done.

Mr. MACKENZIE KING: There is no one quite so sensitive as my right hon. friend in regard to any matter with reference to himself.

Mr. BENNETT: Mr. Chairman, it is the use of the word itself which is outrageous, and if the hon. gentleman will reflect a moment he will realize—

Mr. MACKENZIE KING: What word?

Mr. BENNETT: The word "falsehood."

The CHAIRMAN (Mr. Hanson, York-Sunbury): I would suggest to the right hon. gentleman that he had better withdraw that word.

Mr. MACKENZIE KING: I said the statement was a falsehood, but I am quite prepared to follow the rules of the house—

An hon. MEMBER: No quibbling.

Mr. MACKENZIE KING: —if there is a desire that the word should not appear as being applied to my right hon. friend. I am only too happy that it should not apply.

Mr. BENNETT: I said that I was informed that the right hon. gentleman wrote that letter, and I changed the word "informed" to "advised." The right hon. gentleman said that that was not so, but he admitted that he knew that a letter was being written. I will give him the further history of it later on.

Mr. MACKENZIE KING: Perhaps my right hon. friend will tell me who informed him of that fact.

Mr. BENNETT: I will not do that, although my right hon. friend referred to a private letter the other day.

Mr. MACKENZIE KING: My right hon. friend shields himself behind an anonymous individual, and yet when I mentioned a letter which was given to me as a public letter, not as a private letter—

Mr. BENNETT: It was marked "private".

Mr. MACKENZIE KING: The letter was sent to me as a public letter and I will if desired produce it and lay it on the table of the house.

Mr. BENNETT: Was it marked "private"?

Mr. MACKENZIE KING: The letter was an answer to a public communication.

Mr. BENNETT: Was it marked "private"?

Mr. MACKENZIE KING: The letter sent by the Prime Minister was an answer to a public communication. It was marked "private" so that it could be used as an answer but might not according to his present interpretation be produced publicly. The person who received that communication sent it to me with the request that it should be made public, and I have since received a further communication asking why it was not made public. If my hon. friend would like that letter laid on the table of the house I shall be pleased to put it there.

Mr. BENNETT: The right hon. gentleman knows that he has himself written letters by the hundreds marked "personal." The letter I referred to this afternoon, which I have not seen, was marked "personal." The attitude taken by my right hon. friend during the elections of 1925-26 was that once he had put "personal" on a letter it could not be made public without his consent. That is the universal rule—the writer determines that, not the receiver.

Mr. MACKENZIE KING: I think that is a debatable question with regard to public communications on public matters. When communications are sent to ministers of the crown asking for information, and they are replied to by ministers of the crown, ministers of the crown have no right to protect themselves with respect to their replies simply by writing the word "personal" over their communications.

Mr. BENNETT: I agree with that.

Mr. MACKENZIE KING: That is the point with respect to the letter to which I have just referred.

Mr. BENNETT: That is not the point.

Mr. MACKENZIE KING: My right hon. friend has spoken about an informant. If the statement made by the Prime Minister is correct, whoever was his informant told him something that was not true. When my right hon. friend refers to an informant, he owes it to the house to give the name of his informant.

What I wish to say, however, is this: my right hon. friend before the six o'clock recess indulged in a personal attack upon a distinguished gentleman in public life who was not in the house or in any way in a position to defend himself. I shall give again to the house on his behalf the only statement which it is within my power to give, namely, the one contained in that gentleman's communication to the Prime Minister himself. It is in a letter which I read this afternoon under date of August 14, 1930, and the point at issue is contained in the following sentence:

> In our discussion on this subject you were good enough to make clear your view that the office of high commissioner should be held by someone in close political association with the government of the day, and I understood from what you said that you had in mind plans for this post as a result of which my own appointment could no longer stand.

As a result of the plans which the Prime Minister himself indicated to Mr. Massey, the latter's appointment could no longer stand. For this reason he continues:

> In these circumstances, I, of course, at once offered you my resignation from the high commissionership, which I now confirm.

May I say that if there ever was a gentleman who filled a public office in a manner which was acceptable to men and women of all political parties in this country, it was the Hon. Vincent Massey in the distinguished manner in which he filled the position of the first minister from this country to Washington. Not only did Mr. Massey win the

praise of men of all political parties in Canada, but distinguished public men and officials of the highest rank from Great Britain were loud in their praises of the services which Mr Massey had rendered not only to Canada but to the British Empire. During the time Mr. Massey was at Washington we had visiting Canada two British prime ministers, at least one secretary of state for foreign affairs and we have had visits from two British ambassadors who were his associates at Washington. All of these very distinguished gentlemen have been more than loud in their praise of the great service which was being rendered at Washington by Mr. Massey not only to Canada but to the British Empire as a whole. It is generally admitted that no minister or ambassador at Washington filled his position with greater credit to himself and the country which he represented there than did the Hon. Mr. Massey. In these circumstances it was owing to Mr. Massey to receive rather the public thanks of the Prime Minister of Canada for the services which he had rendered, than the personal attack which was directed against him just before the six o'clock recess. My right hon. friend, however, has evidently upon reflection thought better of his words and he has seen well this evening to intimate that with his own lips he told Mr. Massey he had represented his country most acceptably during the time he represented Canada at Washington.

But I must take exception to the view expressed by the Prime Minister as to the significance of the position of minister at Washington. The Prime Minister said that Mr. Massey had fulfilled certain ornamental duties; that he had discharged social functions will great satisfaction and credit. If the Prime Minister thinks the position of minister at Washington is one concerned primarily with ornamental duties and social functions, he has an entirely erroneous view of what the position of minister at Washington amounts to. I hope he has taken other things into consideration in connection with that appointment than the merely ornamental duties and social functions that are to be performed. The right hon. Lord Bryce, who was British ambassador at Washington for many years, stated on one of his visits to Ottawa that two-thirds of the business of the British ambassador at the time he occupied that office was concerned with all-important affairs with respect to Canada. Later Sir Esme Howard, who was British ambassador at Washington at the time Mr. Massey went there, made a similar statement. Sir Esme Howard indicated that the duties of the Canadian minister at Washington were most extensive and responsible. With a neighbour as near as the United States is to this Dominion, with border questions of the character they are, with the extent of territory what it is, there are in the nature of things any number of all-important questions. Let us take a matter such as the St. Lawrence waterways: does my right hon. friend think that matters pertaining to the St. Lawrence waterways are in the nature of an ornamental duty or a social obligation: that it requires one possessed only of those qualifications to handle matters of that kind? Then there are questions with respect to deportations, to emigration matters to the tariff and what not. There is no end of all-important questions. Indeed, it would be very difficult to imagine two countries that have more important questions arising between them than those which arise and are certain to continue to arise between the United States and Canada. What is required in a minister representing Canada at Washington are the very highest of qualifications of a character that would be expected from one holding an all-important position in public life.

My right hon. friend spoke about the different distinguished gentlemen who have held the position of High Commissioner in London. In that connection it seemed to me his remarks served only to emphasize the difference between the point of view the Conservative party is now taking through the Prime Minister and the point of view the Liberal party has always taken. My right hon. friend pointed out that Sir Charles Tupper was a strong political controversialist; that Sir Alexander Galt had equally been very strong politically as a controversialist. He did not need to point out the controversial powers of the present High Commissioner, but he altogether skipped over mention of the fact that during the entire time that Sir Wilfrid Laurier was Prime Minister of Canada, the position of High Commissioner in London was held by Lord Strathcona who was a political opponent. For many years, including the fifteen years of Sir Wilfrid Laurier's administration Lord Strathcona continued to occupy the position of High Commissioner in London long after Sir Alexander Galt had filled it, after Sir Charles Tupper had filled it and prior to the time Sir George Perley filled it. Lord Strathcona was not discharging merely an ornamental function in London; he was not acting on his own initiative in matters over there, with the

Canadian government indifferent to what was transpiring in London. Lord Strathcona was acting under the direction of the government of Canada: he was the agent of the government of Canada and he was fulfilling his duties under the direction and in accordance with the instructions of the Prime Minister of the day. During the time that Lord Strathcona held the position of high commissioner many very important negotiations were conducted between the Canadian and British governments. Though himself a conservative, he reflected the mind of the Liberal administration in his negotiations with the British Government just, as I said this afternoon, Lord Crewe, who had been a member of the Liberal government in Great Britain, reflected the mind of a Conservative cabinet when he was ambassador in Paris; just as Lord Bryce, when he was ambassador at Washington, reflected during a part of his term of office the mind of a Conservative cabinet, although he himself had previously been a member of a Liberal administration in England. The point of view which Sir Wilfrid Laurier took throughout the whole of his administration was that Lord Strathcona had filled the position acceptably prior to the time that he Sir Wilfrid had come into office; that he was a gentleman whose name, ability and influence were recognized, that it was in the interest of Canada in its relations with the British government to maintain every confidence between the government there and the government here, and that Lord Strathcona, being a public man and broad in his views, might be expected to discharge his duties as high commissioner in an acceptable manner, and he did discharge them in a most acceptable manner during the entire time he was Canada's High Commissioner.

My right hon. friend asks, would I agree to the Hon. Mr. Ferguson remaining in office as High Commissioner for Canada should I again come into office. May I say this, that if the Hon. Howard Ferguson, during four years of office in the United States as the representative of Canada had discharged his duties in the highly acceptable manner that Mr. Massey did, had he gained the esteem and regard of the Canadian people and of the British people to the degree to which Mr. Massey gained it in that time, I should certainly, had he been appointed to London at a time I came into office, have thought twice before I would have asked him immediately to forego that position. If the Hon. Howard Ferguson were to be asked by me to resign immediately, it would not be on the score of partisanship exhibited before the election, though heaven knows that no man ever exhibited more in the way of partisanship; it would be for the manner in which he has discharged the duties of high commissioner since he has been in London.

In this connection I think I may as well proceed to see to what extent the present High Commissioner in London is reflecting the mind of the present administration. My right hon. friend says that the duty of the High Commissioner in London—he repeated it this afternoon—is, first of all, to reflect the policies that are originated and initiated by the government of Canada. That is the first thing—to reflect the policies that are originated and initiated by the government. The second is to reflect the spirit and attitude of mind of the administration. The third thing is that he is practically a member of the administration. My right hon. friend has added to-night a fourth role which the High Commissioner in London fills, and that is that of civil servant. I do not know how flattered the Hon. Howard Ferguson will be with his new title, but at any rate my right hon. friend has stressed it this evening.

Now I wish to read one or two utterances of the present high commissioner, and I shall ask my right hon. friend, because he and not the present high commissioner has to take the responsibility, how far the views expressed by the high commissioner reflect the policies of his administration, reflect the spirit and attitude of mind of the administration; how far the high commissioner is acting as a member of the administration, and how well he is qualifying himself to be continued in office as a civil servant.

My right hon. friend told us this afternoon that the Hon. Howard Ferguson was appointed on the 28th of November. As a matter of fact, he was not sworn in, I think, until some little time after that. He was sworn into office on the 18th of December, but he was appointed by order in council on the 28th of November. Now, between the date on which he was appointed by order in council and the date on which he was sworn in, the present High Commissioner for Canada in Great Britain gave a public address in which he outlined his conception of the aims and duties of the high commissioner. The address was delivered with that end in view. It was a public utterance, so that my right hon. friend the Prime Minister could not fail to understand to the full exactly what view the Hon. Howard Ferguson took of the appointment which had been given him on the 28th of November and to the fulfil-

ment of the duties of which he was formally sworn on the 18th of December. I will read from a Canadian Press report which appeared in the Ottawa Citizen of December 5, and in other papers of the same date. I will read the account through and then ask my right hon. friend afterwards, if he will permit me, with respect to the policies and views therein set forth, how far they reflect the mind and the attitude of the present administration.

Before I read the statement of the present high commissioner's views as to his own duties and functions, let me remind the house of what was said by my right hon. friend only this afternoon in discussing another measure at the opening of the sitting. My right hon. friend was talking then of sovereign powers, of not interfering with each other's domestic affairs. He said that one country had no right to interfere with the affairs of another country, and he made a very strong point of that. Now I assume that in that particular he does not regard one rule or practice as existing for a country which is a foreign country and another and different rule and practice existing for a country which happens to be a nation within the British commonwealth of nations to which we belong. I would assume, at least, that he would expect any representative of the government of Canada to be as careful about not interfering in the internal affairs of another part of the British Empire as he would be about a representative of this country not interfering in the domestic affairs of some foreign nation, and particularly not interfering in the domestic affairs of Great Britain.

Last week the hon. member for Vegreville spoke with respect to conditions in Poland, and my right hon. friend then laid down the doctrine which should govern this country in discussing the internal affairs of other countries. This is what he said on May 8th last:

> When you begin to discuss the internal government of a friendly power you are on very dangerous ground. It is not the duty of this Dominion to undertake to advise people how they should govern themselves. That is their business.

He also said:

> There is an obligation upon us as a member of the League of Nations, and it is a rather serious obligation, not to reflect upon the other members of that league.

Now Great Britain is a member of the League of Nations as well as Canada and Poland, and the words which my right hon. friend used in reference to Poland I take it would in his mind be equally applicable to Great Britain. Having made clear the position as he has stated it himself, I would ask my right hon. friend to be prepared to tell us how far the expressions of view by his representative in London reflect the spirit of his administration and their policies:

> Toronto, December 4—A detail of his aims and ambitions as High Commissioner for Canada in London and a diagnosis of the ills which are now afflicting the British empire as a whole, and Canada and Great Britain in particular, was given by Premier G. Howard Ferguson, of Ontario, to the members of the Technical Service Council at their second annual dinner here to-night.

Remember, this was after Mr. Ferguson had been appointed high commissioner by order in council, but before he was formally sworn faithfully to discharge the duties of that office. Had the Prime Minister felt that these views did not reflect those of his administration, all he had to do was to say to his friend that he did not see very well how he could be sworn to office in view of his entertaining those particular views. In the absence of that step, we must assume that these are also the views of the Prime Minister:

> "If I can," said Mr. Ferguson, "revive the invaluable stimulus that for centuries has been the basis of British progress and achievement, if I can contribute somewhat to direct the thought and endeavours of the British Isles toward cooperation with those portions of the empire outside the isles, if I can help to create a new attitude toward empire problems, I shall feel that I have been amply rewarded for some of the things that I leave behind me here in Canada, and for the efforts that I intend to make to accomplish my aims."
>
> "I am not going over there to sell wheat. I am going to London with the hope that I may be able to do something to remould, or revise the contemporary spirit of the British people," said Mr. Ferguson.
>
> "My observations over there are brief, and, perhaps, unreliable." Premier Ferguson said, "In the old country patriotic fervour, British persistence, British traditions, have to a large extent broken down. You all know the pride the Britisher has always taken in his country, in his production, in his position in the business and industrial world.
>
> "Unfortunately the fact that they have tens of thousands of grown men that never did a day's work, the fact that they are paying what is termed the 'dole' to fifteen-year-old children and up, has contributed to the destruction of the morale of the British people. I think that is what is wrong with Britain more than anything else.
>
> "I can assure you that I never would have thought of leaving the happy hunting grounds, which I have enjoyed here for some time, if I did not think there was a real need for somebody to revive the old spirit of pride and self-respect for their country. I may not be the man, I doubt very much if I am. My spirit has been puddling round with the comparatively little things in the province of Ontario; and, when one goes out into the larger field—not only unknown to you—you are dealing not alone with national, but international affairs.

"Nevertheless, if I may use a clerical expression, 'when the call came' to me, and was pressed upon me, and it was pointed out that I might be of some service, I felt that, if I was to remain in the public service, that if I was imbued with the proper patriotism, that it was my duty to try. I am, therefore going to England to try to do something to revive that invaluable spirit."

Great Estates Ruined

Referring briefly to his recent visit in Great Britain the premier described "examples of where the extreme socialistic doctrine now prevailing in the motherland have led. It makes my heart bleed," he declared, "to see the great and traditional estates cut up and ruined by death duties, estates responsible for the greater and better part of our Canadian live stock, to quote only one instance of their value to us and the motherland. The education bill now before the English house raising the age of obligatory attendance at school to fifteen years, and providing for the subsidization of parents for loss of labour in this manner is another example of bad conditions now existent."

"Never in the history of living men has there been such a critical situation in the British Isles as at this moment and never has the whole people been so deeply concerned and stirred with national conditions as they are to-day. That, in my judgment, is the best evidence that they will, at a reasonably early stage, arise in their might and put a stop to this downward trend toward destruction."

I do not think I need read any more from that speech. I have read sufficient to indicate what in the mind of the present high commissioner is his duty in the old land, his conception of the policies of hon. gentlemen opposite and of their attitude of mind with respect to those policies.

A few minutes ago my right hon. friend said he did not regard the high commissioner as an ambassador or as having a diplomatic position. That being so I would ask him how it happens that he undertook to remind the high commissioner after that gentleman had made the speech I have read of what had happened to Sackville-West. Sackville-West was an ambassador who had been somewhat indiscreet in a letter he had written and as a result was recalled. My right hon. friend took occasion to administer a sharp rebuke or reprimand to his political friend and to say that he was so doing by way of example, indicating clearly that despite his present remarks in his view the position of high commissioner is supposed to carry with it some of the responsibilities of a diplomat, that the position in fact is diplomatic in character. Speaking of the reprimand by my right hon. friend and bearing in mind his conception of the high commissioner as a civil servant, I would remind the house that the occasion upon which the reprimand was administered was that of the opening of the Albany club, a Tory political club, in the city of Toronto on January 6, after the high commissioner had been appointed by order in council and had been sworn to the duties of his office. On that particular occasion the Prime Minister himself in his speech reminded the audience that the Albany club was the very cradle of Conservatism in Canada. I should like to know from him whether he holds the view that as a civil servant Mr. Ferguson is to have the right of attending banquets at political clubs, is to be free to enunciate all kinds of views; and in particular does my right hon. friend say that what was expressed by Mr. Ferguson in the address I have just read represents the policies of the government and the spirit of the present administration towards the problems of Great Britain? If those statements do not represent the policies and spirit of the government I ask the Prime Minister what steps he purposes to take or what steps if any he has already taken to make clear to the British people that Mr. Ferguson in thus speaking did not express the views of the administration.

Mr. MOTHERWELL: Give him a raise in salary.

The CHAIRMAN: Shall the item carry?

Mr. MACKENZIE KING: Not at all.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: If my right hon. friend thinks the order is a little too large perhaps I can take it up sentence by sentence. First of all Mr. Ferguson says:

I am not going over there to sell wheat.

When the Prime Minister was in London attending the Imperial conference he stated that the main purpose of his visit to London and to the conference was to find a market for Canadian wheat.

Mr. BENNETT: No.

Mr. MACKENZIE KING: What did he say?

Mr. BENNETT: Read what he said; he did not say that.

Mr. MACKENZIE KING: I am not playing upon words. I am taking the intent—

Mr. BENNETT: That is not what he said.

Mr. MACKENZIE KING: I am speaking of what my right hon. friend meant.

Mr. BENNETT: And neither is that the sense of what I said.

Mr. MACKENZIE KING: I will leave it to the house and to the country to judge what was said. What he meant was that the main object of his mission was to try to further in Great Britain the market for Canadian wheat. I hope I am putting it broadly enough.

Mr. BENNETT: That is somewhat better, but still it is not quite right.

Mr. MACKENZIE KING: I shall leave my right hon. friend out of the picture, because apparently he can never be quoted accurately anywhere, either in the press or in parliament. I shall confine my remarks to the high commissioner. The high commissioner said that he was not going to Great Britain for the purpose of selling wheat. Are we to understand from that that the present high commissioner had been instructed by the government not to endeavour to find a greater market in Great Britain for Canadian wheat, or that having been so instructed he has defied the administration and has said that he does not intend to go to England to sell wheat? The committee is entitled to an answer.

The CHAIRMAN: Shall the item carry?

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Not a bit of it. We all know of the readiness and the alacrity with which my right hon. friend makes replies to questions. When he finds it necessary, in order to cover his confusion, to draw pictures, and does not rise to his feet to make reply, we know he is pretty hard pressed.

I shall direct my right hon. friend's attention to the next matter. Mr. Ferguson states further:

> I may be able to do something to remould, or revise, the contemporary spirit of the British people.

Has my right hon. friend instructed the high commissioner to embark upon a regenerating service? The Prime Minister has nothing to say, but keeps on drawing.

Mr. BEAUBIEN: He is drawing Mr. Ferguson's picture.

Mr. MACKENZIE KING: Bearing in mind the Prime Minister's statement that the high commissioner reflects the spirit and attitude of the administration, I ask if the spirit and attitude of the Conservative government in Canada towards Great Britain is as described in the following:

> In the old country patriotic fervour, British persistence, British traditions, have to a large extent broken down. You all know the pride the Britisher has always taken in his country, in his production, in his position in the business and industrial world.
>
> Unfortunately the fact that they have tens of thousands of grown men that never did a day's work, the fact that they are paying what is termed the "dole" to fifteen-year old children and up, has contributed to the destruction of the morale of the British people.

Is that the view of the administration? Does my right hon. friend think this expression with regard to the British people by the high commissioner for Canada will gain for him any confidence on the part of the government or people of Great Britain? Does the Prime Minister think that the administration represented by the high commissioner, which keeps him in that position despite utterances of this character, will command any respect from any government in Great Britain or from the people of that country? Then he proceeds:

> . . . . a real need for somebody to revive the old spirit of pride and self-respect for their country . . . . I am therefore going to England to try to do something to revive that invaluable spirit.

Then we come to another part of the speech. At the time this utterance was made the British government had before it certain legislation dealing with educational matters. The high commissioner was not in doubt as to the existence of the bill or the stage which it had reached, because he said:

> The education bill now before the English house raising the age of obligatory attendance at school to fifteen years and providing for the subsidization of parents for loss of labour in this manner is another example of bad conditions now existent.

May I ask the Prime Minister this question: If the High Commissioner for Great Britain, who represents the British government in this country, made a similar statement with regard to legislation before any of the provincial legislatures of Canada or before this parliament, would my right hon. friend remain silent and utter no protest, or would he ask for the recall of the high commissioner? I say there is nothing—and I agree with my right hon. friend in this—in connection with which a representative of one country must be more careful than interfering in the domestic affairs of another country. When the representative of Canada accredited to Great Britain deliberately endeavours to destroy legislation which is being promoted by the government to which he is being sent, surely the time has come when someone in the country should draw the attention of the ministry to the fact and place upon the ministry the responsibility for permitting that sort of thing to continue.

In what I am saying now I am not reflecting upon the present high commissioner. He has reflected upon himself, but I am concerned with the ministry of Canada. I am concerned with my right hon. friend and the attitude which he takes towards the representative of Canada in Great Britain. I say that unless he is prepared to endorse these sentiments he owes it to Great Britain to make some public explanation not only to this house but to Great Britain as well with respect to the attitude of his government in regard to these matters.

Mr. LAPOINTE: I am in a sense sorry for the right hon. Prime Minister, but on the other hand he certainly has brought this calamity upon himself. I do not think the right hon. gentleman was fair to himself or to the position he occupies when he endeavoured this afternoon and to-night to reduce the status of the High Commissioner for Canada in Great Britain to that of the servant of a government, the tool of a party, instead of the representative of a whole country. I do not think that is a fair position to take.

My right hon. friend referred to the statute. That statute was passed in the old days when Canada was a colony and had not reached that equality of status of which my right hon. friend now is boasting, as I am. The language of the statute is specific. It says:

> The high commissioner shall
> (a) act as representative and resident agent of Canada in Great Britain, and in that capacity, execute such powers and perform such duties as are, from time to time, conferred upon and assigned to him by the governor in council.

Since then the various Imperial conferences have considered the status of the High Commissioner for Canada, and it has been decided that Great Britain should send a high commissioner here as we are sending a high commissioner to Great Britain. The high commissioners in London have been given high precedence at court and elsewhere, coming after the ambassadors. I repeat that the high commissioner represents the whole of Canada and all the people of this country. If we were to accept the views of the right hon. gentleman I am sure some of us would not feel at home when we went to London and visited the Canada building. Previously every Canadian thought he was at home there, but now he will have to be a Conservative and a supporter of the right hon. gentleman to have that feeling.

My right hon. leader has referred to one of the numerous speeches made by the present high commissioner. I will not go as far as a newspaper went sometime ago, after one of his outbursts at a banquet in England. That newspaper, which is not at all a supporter of the leader of the opposition, said, "Every time Mr. Ferguson speaks, Canada blushes." I would not go so far as to say that, but I will say that it relieves her dignity to some extent when the right hon. gentleman takes the stand that Mr. Ferguson speaks only for the government, that he speaks as a civil servant and for his party, and that he does not speak for me or for the rest of the people of Canada. It is a good thing that the people of Great Britain should know that we in this country who are not supporters of the right hon. gentleman do not share the views of the high commissioner as he has been expressing them to the people of Great Britain.

The office of High Commissioner for Canada in London is the highest in our diplomatic service. That view has been accepted by the people of Canada, and our representative there should act as a diplomat, as an ambassador, as the representative of one country to another. What are the duties of a diplomat? He has to use tact and judgment; he must be unobtrusive. I remember hearing Sir Esme Howard, who was a very distinguished British ambassador at Washington, speak before the Canadian Club in Ottawa. At that time he said, "Go everywhere in the world; you will not find any monument erected to a diplomat. We work in silence."

Mr. BENNETT: That is hardly accurate.

Mr. LAPOINTE: It is accurate. I quote another definition by another diplomat, Sir Edward Mallet, who was at one time British ambassador at Berlin. He said:

> The world is a huge body clad in a garment of state. We diplomatists, studded all over the earth, are unobtrusive buttons which hold the garments together. As long as we perform this function satisfactorily we pass unnoticed, because the garments continue to sit properly. It is only when we break loose or come off that we become an object of attention or discussion.

The trouble with our High Commissioner in London is that he breaks loose, and that is why he is attracting such attention and so much discussion. And I know that my right hon. friend regrets it more than we do on this side of the house.

As my right hon. leader has noted, Sir William Clark, who occupies the same position in Canada, was appointed by a Conservative government, and he was retained in the office by the present Labour government. I do not know whether he is still in office, but I know that the High Commissioner for Australia,

General Ryrie, who had been appointed by Mr. Bruce, was retained when the Labour government took office in that Dominion. I know also that the High Commissioner for New Zealand kept office after Mr. Coates had resigned and had been replaced by the present government there. My right hon. friend opposite seems to be the only one who holds the view that the high commissioner must be his servant, or tool, or supporter, or by whatever term you choose to describe him, instead of being the representative of the country.

I saw in the newspapers yesterday the statement of an admirer of our representative in Britain to the effect that he was selling Canada to England. Well, I must admit that his methods have more the appearance of salesmanship than of statesmanship. I do not think there is any doubt about that. My right hon. friend made reference to Sir Charles Tupper's having taken part in an election in Canada while he was high commissioner. Surely my right hon. friend does not consider this desirable. Surely our representative in Britain to-day ought to be the representative of all Canadians and not merely of a party. I do not think it is fair to take that stand, and even if it was done in the past it should not be done now.

During the last general election I had the pleasure of visiting some constituencies in the province of Ontario. Do not blame me for anything that may have happened, for I believe that we won in most of the constituencies in which I appeared—

Mr. BENNETT: You picked them with care.

Mr. LAPOINTE: —except where the hon. friend for South Timiskaming (Mr. Gordon) was elected.

Mr. GORDON: I thank my hon. friend for having come there.

Mr. LAPOINTE: I knew the hon. gentleman would say that. I anticipated the remark, for I believe he has said that I rather helped him. However, Mr. Ferguson took exception to a minister representing Quebec going into Ontario and addressing the people of that province. May I suggest that a federal minister is minister for the whole Dominion of Canada, and therefore I had more business speaking in Ontario on federal matters than Mr. Ferguson has speaking in Britain on British matters.

Before concluding, I wish to join with my leader in paying tribute to Mr. Massey. Mr. Massey was not the tool of a party while he represented Canada in Washington. I remember attending a dinner of the Pilgrims Society in New York in honour of Mr. Massey. There were five hundred representative Americans present and they had invited twenty public men of Canada, more than half of whom were Conservatives. As a matter of fact, the Minister of Fisheries was one of the guests, and if he were here he could bear me out when I speak of the high esteem, the affection and the respect in which Mr. Massey was held in the United States of America. Indeed, I have never heard a eulogy so eloquently expressed as the praises of Mr. Massey by Canon Cody of Toronto, who is certainly not a Liberal and was not politically a friend of Mr. Massey. My best wish for Mr. Ferguson would be that some day he might merit the same tribute.

Mr. DUFF: The leader of the opposition, in his remarks, read from the report of a speech made by the High Commissioner in London, in which he is represented as having said that he was not in the old country to sell wheat. My memory is not particularly good, but when that speech was quoted, my mind went back to a despatch which I saw in a number of newspapers in which I observed that the hon. gentleman who holds the important office of High Commissioner for Canada in London was supposed to have visited Rome for the purpose of attending a conference, in connection, I presume, with the sale of wheat. It appears, therefore, that Mr. Ferguson, between the time he made that speech in Toronto and the time at which he arrived in Rome to attend that important conference, must have changed his mind or else have received instructions from the Prime Minister intimating that he had certain duties to discharge in regard to the business of this country which would take him to that conference. The ex-Minister of Justice also referred to the fact that Mr. Ferguson had expressed disapproval of a minister in the Liberal cabinet, representing the province of Quebec, going into Ontario and taking part in the last federal election. Mr. Ferguson evidently has also changed his mind with respect to Quebec ministers; because in a despatch which I noticed in the Toronto Mail and Empire of April 2, 1931, I find the following:

Pope's apostolic blessing is bestowed on Ferguson.

That is the heading, and the despatch is by George Hambleton, Canadian Press staff writer. The article reads:

Rome, April 1.—Hon. G. Howard Ferguson, Canadian High Commission to London, who is attending the world wheat conference here, and Mrs. Ferguson, to-day were received by the pope in private audience.

"It was merely a courtesy call," Mr. Ferguson said afterwards to the Canadian Press. Later he would pay his respects to His Holiness on behalf of the Dominion, Mr. Ferguson said.

Mr. and Mrs. Ferguson were presented to the pope by G. A. D. Ogilvie-Forbes, Chargé d'Affaires of the British Ministry to the Holy See.

The chief delegate of the Argentine to the world wheat conference, Tomas LeBreton, who is Argentine Ambassador to Paris, was also presented to the pope to-day.

His Holiness discussed Canada in a most cordial and interested manner, with Mr. and Mrs. Ferguson, and imparted an apostolic benediction before they left.

We are all glad that the high commissioner, after despatching his business in Rome, had the courtesy to call upon His Holiness, who graciously bestowed upon him the apostolic blessing. I am sure that you, Mr. Chairman, as well as I, after following Mr. Ferguson's political career in Ontario—and I am bound to say that there is much about him that I admire, for he is a bonny fighter and I admire a fighter—must be glad that, as I say, he had the courtesy to call upon the pope. I might say, on behalf of a certain section of the province of Nova Scotia, that I am delighted to think he went and saw the pope and got his blessing. But I wonder whether, before he called upon His Holiness, he also got the Prime Minister's benediction.

Now what is the reaction in Canada to Mr. Ferguson's visit? On April 3 the Toronto Globe published an editorial under the caption, An Awkward Situation. I quote the following:

Now the fat is in the fire. Canada's High Commissioner in London has received the blessing of His Holiness the Pope. There is nothing unusual in this. Other eminent men from many countries have been recipients of the same attention while in Rome. But the point lies in Mr. Ferguson's fraternal affiliations in this country in the days before he ceased being a politician and became a diplomat.

After listening to the remarks of the Prime Minister I am convinced that Mr. Ferguson is still a politician and not a diplomat. The article continues:

It is unfortunate that this incident occurred just after the grand lodges of the province have held their annual meetings. But surely something can be done about it. In view of this news from Rome, can a man who has been familiar with the inner circles of the order be honoured any more? The only official and prompt action that seems possible just now is to change the password. It seems improbable that a former high official of the lodge, fresh from an audience with the pope, should have the daring to present himself before the tyler; but Mr. Ferguson is nothing if not courageous, and may try it.

The question to be decided is whether the present High Commissioner for Canada, former Premier of Ontario and honoured member of an influential order, is making progress or slipping backward. This will be answered in different ways by the people of the province. Grand knights and members of the Knights of Columbus may be depended upon to approve Mr. Ferguson's action; to them it will look like a gain. But the grand masters and the rank and file of the other order will think otherwise. It will be hard for them to arrive at a satisfactory and at the same time diplomatic decision.

There is no question but that Mr. Ferguson has "gone over to Rome," but he was dealing with the wheat problem. He has bent the knee before and been blessed by the head of a church that is known to have no great friendship for the order. This cannot be denied, as other people were present. Why did the high commissioner create such a situation? Probably because when in Rome he followed the example of other distinguished diplomats. And in the splendour of the Vatican he may have forgotten temporarily about old days in Ontario politics.

Let us hope he did. That article is from the Toronto Globe, but perhaps I should give the other side of the question. It may be said that the Toronto Globe is not very friendly to Mr. Ferguson, but I hold in my hand a paper, the editor of which is good enough to send copies to all members of this house, no matter what may be their politics or religion. This is The Sentinel.

Mr. LAPOINTE: I do not get it.

Mr. BENNETT: Nor do I.

Mr. DUFF: I can assure the hon. members it is worth reading. In the issue of Thursday, April 9, just eight days after Mr. Ferguson made his obeisance to His Holiness the Pope, there appeared an article headed "Pope Blesses Ferguson" which reads as follows:

Hon. G. Howard Ferguson's visit to the pope, and getting the papal blessing, will come as a shock to the Orangemen of Canada.

The blessing presages disaster for the high commissioner, as in numerous other cases. The Spanish armada set sail with the pope's blessing, and see what happened to that. Innumerable other cases could be cited in which the pope's blessing preceded calamities to its recipients.

It will be said that diplomatic precedent required the Orange ex-Premier of Ontario to visit the pontiff. That will not go down with the Orange lodges in Canada. It would not have caused a rupture of any kind if Mr. Ferguson had left Rome without seeing the pope.

I do not suppose the pope would have become ill. The article continues:

One sure thing is that he was not thinking of his Orange friends back home when he paid his homage to the head of Romanism. There is, of course, no violation of his Orange obligation in getting the blessing of the pope, but to seek it is repugnant to every instinct of a true orangeman.

This is the statement of a paper which has supported Mr. Ferguson for many years; this is what they think of Mr. Ferguson's actions while acting as high commissioner in London.

The amount of this vote this year is $132,260 as compared with $117,260 for last year, an increase of $15,000. We have been told that the government is economizing because of the financial conditions in this country, but here we are faced with an increase of $15,000. The increase includes an addition of $2,000 to the salary of the Hon. Mr. Ferguson. Apart from any criticism which might be made of Mr. Ferguson, the fact remains that under present day conditions he should not receive an increase in salary. I object to Mr. Ferguson's receiving that extra $2,000 when there are other important matters which should be looked after. Civil servants are being dismissed people are out of employment, public works are being curtailed, and I object to and protest against this increase. What was Mr. Ferguson's salary before this increase was granted?

Mr. BENNETT: The statute provides for a salary of $10,000, but an additional $2,000 has been paid for many years. The position of high commissioner necessitates his residing in London. There is no residence in London as there is in Washington, and the increase is to provide something in the way of accommodation. No doubt something will have to be done with regard to a residence in London. The high commissionership must not be left open for rich men alone, but unless some provision of this sort is made, only rich men can accept it. To one having an income of $900,000 or $1,000,000 per year, the office was worth three or four hundred thousand annually because the incumbent does not have to pay income tax. Something has to be provided in the case of men in moderate circumstances. Since the days of Sir Charles Tupper it has not been found necessary to make this provision, until the present instance. The office in Paris carries with it a residence at a very low rental. It was first rented immediately after the war, and the minister told me that the rent was something between one and two thousand dollars. When the estimates were being prepared a cable was sent to the minister to make certain about that rental.

So far as the hon. member for Antigonish-Guysborough (Mr. Duff) is concerned, I suppose the correct answer to his remarks would be that contained in the school textbooks: When at Rome do as the Romans do.

Mr. DUFF: A better answer would be: whilst the lamp holds out to burn, the vilest sinner may return.

[Mr. Duff.]

Mr. BENNETT: There is still hope for the hon. member for Antigonish-Guysborough.

Mr. DUFF: I am referring to Mr. Ferguson and not to the right hon. Prime Minister.

Mr. BENNETT: The hon. member for Quebec-East (Mr. Lapointe) has been singularly unfair in his remarks, more so than he would like us on this side to be. I said that Mr. King was a civil servant.

Mr. MACKENZIE KING: Mr. King?

Mr. BENNETT: I meant to say Mr. Ferguson. It is long since my right hon. friend was a civil servant.

Mr. MACKENZIE KING: Please do not confuse me with him—with anyone else if you like.

Mr. BENNETT: The right hon. gentleman should not let his animosity extend so far. First, may I suggest the statute provides:

> The high commissioner shall act as representative and resident agent of Canada in Great Britain.

He represents all Canada, just as I frequently used to say that the right hon. gentleman himself was not only Prime Minister and leader of his party, but leader of the House of Commons; just as the government is the government of Canada and not the government of a party. So Mr. Ferguson under the statute is the representative and resident agent of Canada in Great Britain. I think it was not cricket for my hon. friend to try to assert that I had lowered Mr. Ferguson's status by referring to him as I presently shall again, as a civil servant. But his position is as the representative in Great Britain of Canada, of all provinces, of all Canadians, of all classes and creeds. He is the Canadian representative, and no one would more quickly than Mr. Ferguson himself disown the thought that in that position he represented the party. That is number one.

The second is:

> The high commissioner shall, in that capacity, execute such powers and perform such duties as are, from time to time, conferred upon and assigned to him by the governor in council.

To that extent he is the instrument of the government to do what the government by order in council directs to be done. The third is:

> The high commissioner shall take the charge, supervision and control of the immigration offices and agencies in Great Britain, under the Minister of Immigration and Colonization.

There his chief is the Minister of Immigration; there his direction is from the Minister of Immigration; there he is to all intents and purposes a deputy minister with regard to that particular work. The fourth is:

> The high commissioner shall carry out such instructions as he, from time to time, receives from the governor in council respecting the commercial, financial and general interests of Canada in Great Britain and elsewhere.

I think my hon. friend will now agree that in the first instance the gentleman in question represents Canada; second, he is in the position of a civil servant, and I am using that word in its proper sense, in that he is carrying into effect the directions received from time to time by (a) the governor in council, and (b) the Minister of Immigration. An ambassador, a minister from Great Britain, is a civil servant and is classified as such.

Mr. LAPOINTE: In that sense he is.

Mr. BENNETT: When the term is used, therefore, in that sense, as I used it, I think the hon. gentleman was not quite fair in endeavouring to have it appear that the expression had been applied to the High Commissioner in some derogatory sense. For no higher praise can be given to any man than that he is serving the state faithfully as a civil servant. The permanent civil servants of Britain are the men who have maintained the continuity of her policy and her supremacy for instance, in finance, commerce, and so forth.

Mr. LAPOINTE: All this lecture is useless. I did not say it was because Mr. Ferguson had been referred to as a civil servant that my right hon. friend had degraded the office. It was because my right hon. friend said that the high commissioner had to represent the spirit and mind of the government and be a tool of his party.

Mr. BENNETT: I accept the hon. gentleman's word, but I took down his opening words, and he referred to the high commissioner as having now become a civil servant. He may not have meant it in that sense, but that is the only reason I am speaking of it.

Mr. LAPOINTE: Hansard will show.

Mr. BENNETT: Yes, Hansard will show.

Mr. LAPOINTE: And I will not touch it as others do.

Mr. BENNETT: The hon. gentleman need not look so hard at his friend beside him.

Mr. MACKENZIE KING: I resent very much the remark of my right hon. friend in that regard. If he will just pay attention to himself, he will have more than he can handle.

Mr. BENNETT: If my right hon. friend will look at the speech he made in the house on the address at the opening of parliament and the speech printed and sent out through the country, he will see exactly what I mean.

Mr. MACKENZIE KING: I challenge my right hon. friend to mention any single change made by me in Hansard with respect to any matter of fact. As regards grammatical changes, transpositions and matters of that sort—well and good.

Mr. BENNETT: It was what went to the printer and what was printed in the speeches that were distributed.

Some hon. MEMBERS: Withdraw.

Mr. BENNETT: There is nothing to withdraw.

Mr. HANBURY: Was it Hansard the right hon. gentleman referred to?

Mr. BENNETT: The official copy sent out of the right hon. gentleman's speech on the address in reply to the speech from the throne. Go and look at it.

Mr. YOUNG: What is the matter with it?

Mr. BENNETT: I did not say there was anything the matter with it. Let us go a step further. The hon. gentleman has referred to the speech made by Mr. Ferguson after he was appointed and before he was sworn in as High Commissioner for Canada in Great Britain. All I can say is this, that Mr. Ferguson gave an assurance he had no idea that his speech was being published. To start with, it was at a small gathering of people, although the impression was given that it was a large one; and I wonder how many hon. gentlemen there are, if there be one, who have not talked with their neighbours about the policy in England regarding the dole and its effect. How many have not talked about the effect of the dole?

Mr. YOUNG: We are not commissioners.

Mr. BENNETT: That is quite clear. I was not in Canada at the time and Mr. Ferguson assured others as well as myself—and I believe it is a fact from independent inquiries I made—that he thought all he was doing was talking to a small number of people and there was to be no publicity.

Mr. SANDERSON: Does the Prime Minister endorse the speech?

Mr. HANBURY: Is it suggested—

Mr. BENNETT: Do not all try to rise at once. Take a little time about it. That is the explanation I received of that incident, and I think it is a reasonable one. The right hon. gentleman opposite has referred in terms, paragraph by paragraph, to a report of that speech as well as to other speeches that were made by Mr. Ferguson in England. All I can say is this: I have not seen other than the reports of the press with respect to the speeches delivered in England, but I do recall the report which I read in a paper of one speech that I happened to listen to, and that is the speech into which the right hon. gentleman says I interjected some reference to Sackville-West. The occasion was the opening of a building, and as a matter of fact how you say things when you are talking together is vastly different from what they look like when they are printed. Is there one hon. member that does not know that? You may say something as a joke with a smile on your face, but the paper records neither the smile nor the joke.

Mr. MACKENZIE KING: The right hon. gentleman was not fully reported, but not misreported?

Mr. BENNETT: This is not a question about what I said at all. I am speaking about what somebody else said. I am quite willing to be interrupted; it does not in the least disconcert me. I am reciting what must be known to most hon. members.

Mr. HANBURY: Is it suggested that the Prime Minister was the joker?

Mr. BENNETT: The hon. gentleman's observations have not added anything thus far to this discussion. The reason he is there and I am here is perhaps apparent from that, if that is what he is asking for.

Just let me proceed a step further. It is easy to criticize the observations of public men as reported in the press in that way when such observations may be said to be but a passing joke. I happen to know the Sackville-West incident very thoroughly, and it just crossed my mind from a criticism I had been reading of the high commissioner. He had been joking with me because of something that had transpired, and he said he might be back here with his carpet bag or his valise, or something of that sort, and I said, "Do not forget Sackville-West." That is all that was said, and that was the basis of that remark.

Mr. BEAUBIEN: The Prime Minister was smiling at the time.

Mr. BENNETT: It is the gentleman who is now high commissioner that I am speaking of at the moment. I do not propose to-night to enter into any elaborate defence of Mr. Ferguson. He needs none at my hands. He is a very well-known Canadian, and the principal difficulty that seems to be experienced by most hon. gentlemen opposite is that he contributed to their discomfiture on more than one occasion.

Mr. EULER: Not so very much.

Mr. BENNETT: I think that is a fair statement, and its truth is generally recognized. I am quite willing to agree that the hon. member for North Waterloo would not be greatly discomfited because he thinks so nearly as we on this side of the house think with respect to the great fiscal policies of this country. The high commissioner is rendering great and useful service to this Dominion. The Englishmen with whom I speak have no criticism to make of his observations and remarks in England. They regard him as an admirable incumbent of that office, and one whom they are delighted to honour and for whom they have the warmest regard. That is the information that I receive, and I regard it as equal to the information that has been given to this house as to the high regard in which our neighbours to the south held the former minister to Washington. I can assure the house that I have seen no Englishmen or residents of Great Britain who have not spoken in the highest terms of our high commissioner.

I should like to make one further observation with respect to Mr. Massey. I did not bring about the discussion of the circumstances under which Mr. Massey resigned. That was asked for. I would gladly have refrained, in view of what I said at the last session, from discussing the interview that took place between us. He came to see me, not privately, but as the Prime Minister of this country. He asked me to make an appointment; I did so, and he came. I discussed frankly, as I told the house this afternoon, the circumstances to which I then alluded, and Mr. Massey wrote his resignation. I said that I was informed that the right hon. leader of the opposition had written it. He says that that is a false statement, and I gladly accepted his statement.

Mr. MACKENZIE KING: It certainly is.

Mr. BENNETT: But Mr. Massey left the hotel and went to visit the leader of the opposition that evening, as was his right and

as one would expect he would. I believed, therefore, when the information was given to me, that he discussed the matter very fully with the leader of the opposition, and it did not seem unreasonable that the right hon. gentleman would have assisted him in connection with what was written. I did not make that statement in any censorious sense or as not being within his rights. The right hon. member says that my information was not correct, and that is quite satisfactory so far as I am concerned.

I accepted Mr. Massey's resignation, having first given him the reasons for the attitude which I took in connection with that office. I have not changed my opinion with respect to it. I still say that that office is an office in which the high commissioner represents Canada as a whole, but owing to the peculiar language used in the statute and the obligations that rest upon him in connection with the administration of the day, charging him with ministerial responsibilities of administration, he cannot discharge those responsibilities unless to the fullest possible extent he enjoys the confidence of the administration, and the administration gives him its fullest confidence in the same sense.

I think it was not quite worthy to suggest that I believed the office of minister to Washington was one in which the discharge of social duties and obligations was the only obligation upon whomever held that office. I do not think that is quite in keeping with the tenor and character of this debate. No one knows better than I that that is not so, and no one knows better than I that Mr. Massey left what you might call the administrative features of that office largely to others and himself attended to what I called the addresses made to universities—a volume of which has just been published, excellent, too, in every way—and to the great social duties of his office. I do not think that Mr. Massey would be the man to take care, for instance, of the situation arising out of the St. Lawrence waterway. For the very same reasons I do not think either by training or experience or otherwise he would undertake the duties in connection with it. When I say that I think it is not quite worthy of hon. members to suggest that I had that thought in mind in view of the appointment which I made to that office. I think the house is perhaps getting into an attitude of mind with respect to it that does not reflect the highest ideals of public service in connection with an institution such as this. But I am content to leave that criticism to those who read it.

I can only repeat that when we came into office we found that, three weeks before, Mr. Massey had been appointed High Commissioner for Canada in London. He sought for and obtained an appointment with me, not privately, but in my public position. I did not conceive, as the leader of the opposition has said, that it was a private discussion. Mr. Massey did not suggest it was. He may have said since that it was, but he did not so indicate to me. I stated as clearly and emphatically as it is possible to do in the course of a conversation just what my views were. I got the statute and showed it to him, and then he admitted, at least, in this sense, that if my views were as I indicated it was quite clear that he was not in accord with them, and he sent me his resignation. That is the story. I give it to the house because it is entitled to receive it. I put it on Hansard last session, on the second last day before the house rose, I think. I repeat, that if similar conditions again arose I would regard it as my duty to do what I did at that time because I do not believe it is possible to maintain the office in London except on the basis I have indicated. I assure the committee that had the letter of recall not been issued, Mr. Massey would still be minister at Washington as Mr. Marler is at Tokyo and Mr. Roy is at Paris.

As to the increase in this particular item, it is accounted for by the reasons I have given. It is quite apparent that with freedom from income tax a rich man can afford anywhere from three to four hundred thousand a year in connection with that office, but a man of moderate means or a poor man cannot afford to do it.

Mr. MACKENZIE KING: Let us examine for a moment what my right hon. friend has just said as to what he would have been prepared to do about having Mr. Massey returned to Washington.

Mr. BENNETT: No, no; he would not have been removed from Washington.

Mr. MACKENZIE KING: He would not have been removed from Washington had the letter of recall not been issued. I asked my right hon. friend, and I ask him again now, whether the letter issued by His Majesty for the recall of Mr. Massey has been presented to the president of the United States up to this time.

Mr. BENNETT: I say, no.

Mr. MACKENZIE KING: So the fact is that at this moment, while we are discussing this matter, His Majesty's letter recalling Mr. Massey has not yet been presented to the president of the United States.

Mr. BENNETT: It was signed on the 7th of August.

Mr. MACKENZIE KING: My right hon. friend is trying to have this house and the country believe that he had no other object in view with respect to Washington than to have kept Mr. Massey there provided the letter of His Majesty asking for his recall had not been issued. I say that if my right hon. friend had wished to use the letter of recall as a means of keeping Mr. Massey at Washington, he could quite easily have taken advantage of the fact that at the time the letter of recall had not been presented to the president of the United States; up to the present time it has not been presented, and until the letter has been presented Mr. Massey has not been recalled. The position at the moment is that Mr. Massey has not yet been recalled from Washington. My hon. friend however has made another appointment. Before we have completed the discussion concerning the minister to Washington no doubt he will give the house the reason for the appointment. When he tells the country that his reason for not leaving Mr. Massey at Washington is because of the letter of recall, I think the country ought to know that the letter of recall has not yet been presented and will not be presented until the gentleman whom my right hon. friend has appointed presents it in person to the president of the United States.

So far as Mr. Massey being the best of all persons to fill that position, I do not think we need repeat what has been said concerning Mr. Massey's extraordinary fitness for the post. The press of all shades of politics not only endorsed Mr. Massey's appointment to Washington and the manner in which he discharged his duties while there, but also in the strongest terms endorsed his appointment as High Commissioner for Canada in London.

May I say, as it may be a matter of interest for hon. members to know, that at the time of the death of the Hon. Mr. Larkin when the government was considering the appointment of a successor I had a long distance telephone conversation with the Hon. G. Howard Ferguson, the then Premier of Ontario, with respect to a matter on which negotiations were pending. In that conversation Mr. Ferguson said to me, "If I may be permitted to do so, I would like to make one suggestion, that you appoint Mr. Massey to London as high commissioner. No better appointment could be made." The view held by Mr. Ferguson at that time was one held by gentlemen like Canon Cody and others high in the ranks of the Conservative party. I venture to say that with the exception of my right hon. friend, and that for the personal reasons he has mentioned to-night, almost everyone in Canada who has been interested in the representation of Canada in Great Britain would have been quite content and more than pleased to have seen the appointment of Mr. Massey continued.

My right hon. friend has not yet indicated his views with respect to the utterances of Mr. Ferguson in London which I have read this evening. My right hon. friend said I had referred to Mr. Ferguson's speeches in Canada and in London. To-night I have not referred to any speeches made in London, but before this item is finally passed I intend to do so. I hope to get from the Prime Minister some expression of his views as to how he regards the various opinions being expressed in Great Britain by the high commissioner. Having relation to the time of Mr. Ferguson's appointment, his speeches may be divided into three classes. There are those which took place before he was formally appointed, those which took place after his formal appointment and before he left for England, and those which have taken place since he has been in England. I have read only from one address which he delivered after he had received his formal appointment and before he went to England. I think the first public utterance made by Mr. Ferguson in regard to the appointment was an announcement made before the Prime Minister himself had informed the country about the appointment. I do not know whether that announcement was made in accordance with the views of my right hon. friend, but if the high commissioner was not checked up for that indiscretion, I must say the attitude of the Prime Minister toward his London representative must be very different from his attitude toward most people.

I have been attempting to discover why my right hon. friend will say nothing with regard to Mr. Ferguson's speeches in London, and in particular nothing with respect to the speech to which I have just referred in which the high commissioner stated his views concerning the people of the empire. I think I have the reason; it was given very plainly by the high commissioner himself in his first speech after reaching the old country. The high commissioner served very prompt notice

on the Prime Minister that if the Prime Minister ventured to criticize him a resignation would be handed in and he, Mr. Ferguson, would again be back in Canada. I do not think there are many who fail to perceive that there is hardly room for both these gentlemen in Canada at the same time, and the purposes of my right hon. friend for the present are served very well by having the Hon. G. Howard Ferguson on the other side of the ocean. Speaking at the Canadian Club in London on February 10, Mr. Ferguson said:

> The moment I have to keep silent about the British Empire, that moment will my resignation be received by the Canadian government. . . . I hope not only to proclaim my faith, but, if it is necessary, to proselytize any doubting Thomases.

Is it the view of my right hon. friend that it is the duty of the High Commissioner for Canada in London to spend his time proselytizing doubting Thomases in regard to empire matters? We all know that the speeches which have been made in Great Britain by the present high commissioner have been in the nature of what might be termed proselytizing speeches by an imperial missionary, a missionary of empire. At this point may I draw the attention of hon. members to what appears to be a very marked difference between certain policies advocated by the Prime Minister of Canada in Canada and the policies advocated in Great Britain by the high commissioner, his representative in Great Britain. In Canada we hear from the Prime Minister a great deal about "Canada first"; in Great Britain on the part of his political associate it is "Empire first." In Canada the Prime Minister speaks about "Canada first" and his Minister of Trade and Commerce (Mr. Stevens) publishes highly priced advertisements containing the following words, "Buy Canadian-made goods." In Great Britain the High Commissioner for Canada finds fault with the British people because in that country there is an advocacy to buy British goods. Let me quote from a speech delivered on March 10 by the Hon. G. Howard Ferguson before the Canadian Chamber of Commerce in London. This is an Associated Press despatch which appeared in the Evening Citizen, and also on the same day in other newspapers of Canada:

> When I see in England such slogans as "Buy British goods made in England by British labour" it seems to me to be forgotten that goods of Canada and other parts of the empire are equally British. Imperial consolidation cannot be effected on the lines of discrimination.

I ask the Prime Minister if that statement by the high commissioner reflects the policy of the present government? Is that the attitude of the government towards British goods? Are we to have one doctrine in this country of buying Canadian goods made by Canadian labour to the exclusion of British goods, and at the same time are we to have the people of Britain told that when they suggest the buying of British goods made by British labour they are discriminating against Canada and working against empire consolidation?

Referring to the coming Imperial conference at Ottawa the high commissioner is quoted indirectly as follows:

> It was not expected that the recent Imperial conference would produce more than the development of a certain atmosphere, he said: The problem involved the whole reconstruction of the economic fabric of the empire.

I would ask hon. members to notice those words:

> The problem involved the whole reconstruction of the economic fabric of the empire.

"Reconstruction of the economic fabric of the empire." That is the policy of the Canadian government in Britain: "Canada first" is the policy of the same government here.

The CHAIRMAN: I would draw the right hon. member's attention to the fact that it is now eleven o'clock.

Progress reported.

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

Monday, May 18, 1931.

The house met at three o'clock.

TAXATION OF INDIANS

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): I should like to ask the Superintendent General of Indian Affairs if he has received a request from the Minister of Finance of British Columbia asking for permission to assess Indians employed in industry in that province a special 1 per cent duty.

Hon. T. G. MURPHY (Minister of the Interior): No such request has been brought to my notice.

PENSIONS AND ALLOWANCES

On the orders of the day:

Mr. C. G. POWER (Quebec South): I should like to repeat the question I asked the

Minister of Pensions and National Health the other day as to whether or not it is proposed at this session to bring down legislation amending the Pension Act.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): This matter is now under consideration.

UNEMPLOYMENT SITUATION

REPORTED EMPLOYMENT AT CHURCHILL OF WORKERS FROM EASTERN CANADA

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I should like to direct a question to the Minister of Railways and Canals. I have before me a despatch appearing in a morning newspaper, entitled Eastern workers go to Churchill.

Mr. SPEAKER: Why cannot the hon. member ask his question? There is no necessity for reading this article.

Mr. McINTOSH: I am laying the foundation for the question.

Mr. SPEAKER: Ask the question and be done with it. There is no need to read anything.

Mr. McINTOSH: All right. If it comes to a matter of asking a question, I can soon do that. The question is this: Is it true that workers from eastern Canada are being sent to Churchill? This article states that unemployed men paraded at the Pas as a demonstration against eastern workers being sent to that part of Manitoba. I should like to know if that has been done, because this is a question of interest to the whole of western Canada.

Hon. R. J. MANION (Minister of Railways and Canals): I am rather glad the hon. member has brought up this question, because during the last few hours I have been inundated with this statement from various people in the west. I see according to one newspaper sent me that Premier Bracken made the statement that large numbers of men were being taken to Churchill from the east, and the mayor of The Pas is reported to have made a similar statement. I was looking into the matter, without knowing anyone was going to bring it up, so I think I can give a fairly intelligent answer.

The number of men taken to Churchill as working on the line from The Pas to Churchill amounts to approximately one thousand, but of that number about one half are men who have been in there for a number of years, who have some special qualifications and who have been reemployed. In round figures, some four hundred men I am informed have been taken from The Pas, or about a third of the total number employed. The men taken from other sections of the country, and certainly those taken from the east, with very rare exceptions, were men who had been there in previous years and who had some special qualifications. There were some men taken from Renfrew county, men who have been there for a number of years. They are called adze men; they have special qualifications for working timber. Other men were taken from the maritime provinces; they were steamship men, who have been there for some years. I do not think the numbers of these men have been increased.

With regard to The Pas, there is no doubt that many men went there looking for work this year. I am informed by people in the west that hundreds of men went to The Pas on freight trains and in other ways, in the hope of getting work. Of course it is impossible for the Department of Railways and Canals to supply work for all these men. They went in on their own responsibility, and we have taken as many as we can take. Probably 90 per cent of all the employees on the line from The Pas to Churchill and at Churchill have been taken from Manitoba and Saskatchewan, and I think that is a very fair proportion.

There may be very good arguments advanced in support of the contention that men should not be brought from other sections of Canada, but only those men who have special training or who had previous knowledge of the work were taken from other parts of the country, and their numbers are very small. I think it well that this fact should be made known to the people of western Canada. I can assure my hon. friend and the country that The Pas and western Canada have been treated very fairly in this matter. It may be pointed out that Winnipeg, for instance, has thousands of men unemployed. We did take perhaps 150 men from Winnipeg, but surely that city has some right to be considered. There were a few men taken from Regina, a few from Selkirk and a few from various other sections, and I may say that I was approached from all over western Canada, asking me for positions at Churchill. I suppose for each position we had to offer there were from ten to twenty applications.

Mr. McINTOSH: Do I understand from the minister that only 10 per cent of the men have come from the east and that these men are all specialists in their work?

Mr. MANION: That is correct. Those men were brought from different parts of the east; some were brought from the maritime provinces and a few came from around Port Colborne. Some of them came from the maritime provinces, some from the town of Port Colborne, and a few from Renfrew county, but they were all men with special training.

ST. LAWRENCE WATERWAY

On the orders of the day:

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, I would like to direct the attention of the Prime Minister (Mr. Bennett) to a despatch from the staff representative of the paper Labour in Washington, dated May 19, as follows:

Canada will reply in June to the American note asking if this country is prepared to go ahead in the near future with the development of the St. Lawrence waterway. It will say that the Dominion is favourable to the improvement provided satisfactory joint financial arrangements can be made but will state that there need be no—

Mr. SPEAKER: I will ask that the hon. member for Kenora-Rainy River (Mr. Heenan) direct his question to the government. What happens to be published in some foreign newspaper is of no particular interest to the house and does not necessarily form a basis for a question. If the hon. member has a question to ask which is of interest to the country and to this house, he can ask it without reading from a foreign newspaper.

Mr. HEENAN: Would the Prime Minister advise the house if the report is correct that the Dominion of Canada will answer the note from Washington to the effect that there is no need to start the development of this waterway before one year.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I have no knowledge of the communication to which the hon. member refers, nor as to who inspired it; it is without authenticity so far as the government is concerned.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BEAUHARNOIS LIGHT, HEAT AND POWER COMANY, LIMITED

Mr. GARDINER:

1. Has the right hon. the Prime Minister, received the departmental report of the investigation regarding Beauharnois which he mentioned at the special session as having been undertaken by him?

2. If such a report has been received, will he table it?

3. Have plans for remedial works of the Beauharnois development been filed and approved by the government?

4. Are the plans under which the Beauharnois development is now being proceeded with the same plans which were approved by order in council, P.C. 422, dated May 8, 1929?

5. If the present plans are not the same as above approved, have they been approved, and if so, how and when?

6. If any change has been made in these plans, what are the changes and why were such changes made?

7. Has the program of construction provided for in condition No. 12 of the order in council No. P.C. 422 of March 8, 1929, been submitted and approved by the minister?

8. If so submitted and approved, will the government table a copy?

9. If not submitted and approved, when will the government require its submission?

10. Have the engineer or engineers referred to in condition No. 14 of the said order in council been appointed by the government, if so, when and what are their names, what are their duties in respect to: (a) the canal; (b) works to be constructed in the St. Lawrence river?

11. Why were fixed spans permitted as set out in condition No. 10 of said order in council if the canal is to be used for navigation purposes?

12. (a) Has the province of Quebec executed and the Dominion government accepted the agreement referred to in condition No. 24; (b) if this agreement has been executed and accepted, will the government table a copy?

13. (a) Have the plan and detailed construction provided for in condition No. 11 of said order in council been submitted and approved of by the minister; (b) if so approved, will the government table a copy?

14. Will the government procure from the Beauharnois Power Corporation Limited (a Dominion company) and table the list of shareholders of said corporation?

Mr. BENNETT: Mr. Speaker, I would ask that questions numbers 1 and 2 be allowed to stand as the engineers of the department are having some difficultiy in understanding them. An endeavour will be made to work out a satisfactory answer.

Questions stand.

CANADIAN NATIONAL RAILWAYS—EMPLOYEES, GASPE RAILWAY

Mr. MARCIL:

1. What are the names of the eight employees of the Canadian National Railways main line who have been appointed to positions on the Gaspe railway, at what stations are they located and what is their salary?

2. Are any of former employees still in the employ of the Canadian National Railways, who are they, what position do they fill and what is their salary?

Mr. MANION:

1. Stanislas Lemieux, Nouvelle Station, $4.70 per day; J. M. Trottier, Percé, $127 per month; P. Columbe, Bonaventure, $127 per month; F. McDonald, Matapedia, 72 cents per hour; N. Methot, Gaspe, 72 cents per hour; P. Allen, New Carlisle, $190 per month; W. Ward, New Carlisle, 46 cents per hour; P. Mercier, New Carlisle, 55 cens per hour.

2. No; for the following reasons: Stanislas Lemieux replaced a deceased section foreman. J. M. Trottier replaced an agent dismissed for irregularities. P. Columbe replaced an agent dismissed for irregularities. F. McDonald replaced a car cleaner laid off account inability to perform work of joint carman and car cleaner, and not qualified for other employment. N. Methot replaced a pensioned carman. P. Allen replaced a carman laid off account being unable to perform work. W. Ward displaced a junior fuel man, New Carlisle. Ward has since been laid off himself account reduction in staff. Former employee still holds seniority on that superintendent's division. P. Mercier is filling new position of stores issuer and did not displace any former Gaspe lines employee.

NET DEBT OF CANADA*

Mr. ROBERGE:

1. What was the net debt of Canada at the end of the financial year 1921?
2. What was the net debt of Canada at the end of the financial year 1930?
3. What was the net debt of Canada at the end of the financial year 1931?

Mr. BENNETT: Mr. Speaker, answers to questions such as this should be a reference to the public accounts. I think that would be the proper way of answering and would not be discourteous to hon. members of the house.

Mr. SPEAKER: The answer is that the hon. member should refer to the public accounts.

Mr. MACKENZIE KING: That is not the politest way of answering.

Mr. BENNETT: Why not?

HON. RODOLPHE LEMIEUX

Mr. LAFLECHE:

1. How long did the Hon. Rodolphe Lemieux act as Speaker of the House of Commons?

2. What was the total sum of money received by him during his term of office, (a) as member of the House of Commons; (b) Speaker; (c) all other contingent expenses, allowances, servants' salaries, cost and maintenance of automobiles, chauffeur's salary, telephone and telegraph charges, printing, etc?

Mr. BENNETT:

1. The Hon. R. Lemieux acted as Speaker of the House of Commons for 8½ years. Noon March 8, 1922, to Noon September 8, 1930.

2. (a) Indemnity..	$ 36,000 00
(b) Speaker's salary.. ..	51,004 04
(c) Contingent expenses.	5,510 56
Allowance in lieu of residence.	25,402 02
Servants' salaries. ..	33,430 18
Cost of maintenance of automobiles.. ..	6,407 79
Chauffeur's salary. ..	15,242 00
Telephone and telegraph charges.. ..	3,714 48
Printing, etc..	nil
Total..	$176,711 07

HON. SENATOR DANDURAND

Mr. LAFLECHE:

What is the total sum of money received from all government sources by the hon. Senator Dandurand from the year 1921 to March 31, 1931?

Mr. CAHAN:

Payments made to Senator Dandurand as a delegate to the League of Nations:

1921-22—No payments made.	
1922-23—No payments made.	
1923-24—No payments made.	
1924-25—Travelling expenses—5th Assembly, League of Nations,..	$ 3,130
1925-26—Travelling expenses—Special Assembly..	1,380
1925-26—Travelling expenses—6th Assembly..	
(Delegation expenses—including Senator Dandurand, Senator Bostock, Mr. Roy, Dr. Riddell—$7,629.07).	
1926-27—No payments made.	
1927-28—Travelling expenses—8th Assembly..	3,108
Travelling expenses—48th Council Meeting..	2,121
Travelling expenses—49th Council Meeting..	1,100

1928-29—Travelling expenses—9th Assembly and 51st and 52nd Council Meetings	2,400
Travelling expenses—53rd Council Meeting	1,260
Travelling expenses—54th Council Meeting	1,350
1929-30—Travelling expenses—55th Council Meeting	1,700
Travelling expenses—10th Assembly and 56th and 57th Council Meetings	2,500
Travelling expenses—58th Council Meeting	1,300
1930-31—Travelling expenses—59th Council Meeting	1,300
*Total	$22,649
Sessional indemnity as a senator	44,775
Total	$67,424

*This total does not include amount for 1925-26 (6th Assembly).

PENSIONS TO EX-SERVICE MEN

Mr. BLAIR:

1. What was the total amount disbursed in pensions to ex-service men from October 1, 1930, to date?
2. What was the total cost of administration of the pension board tribunals, courts and bureaus dealing with ex-service men from the first of October, 1930, to date?
3. What was the number of applications for pensions heard from October 1, 1930, to date?
4. How many such applications have been disposed of?
5. In how many cases have pensions been granted?
6. In how many cases have pensions been refused?
7. How many applications are now pending before the pensions tribunal?
8. In the opinion of the Department of Pensions and National Health, approximately what length of time must elapse before the cases now pending are disposed of?

Mr. MacLAREN:

1. $27,963,835.23.
2. $229,076.39.
3. By the Board of Pension Commissioners for Canada, 22,383; by the pension tribunal, 1,735; by the pension appeal court, 343.
4. By the Board of Pension Commissioners for Canada. The board have disposed, as far as their jurisdiction is concerned, of all claims. The number of claims which are held for reference to the pension tribunal, pending a decision as to their jurisdiction, is 777; by the pension tribunal, 1,536; by the pension appeal court, 343.
5. By the Board of Pension Commissioners, 4,762; by the pension tribunal (subject to appeal), 707; by the pension appeal court, 69.
6. By the Board of Pension Commissioners for Canada, none; by the pension tribunal, 829; by the pension appeal court, 220.
7. 1,200.
8. No answer.

NOTE.—The figures quoted in answer to question No. 2 are to March 31, 1931, all others are to April 30, 1931.

ROUYN MINES RAILWAY COMPANY

Mr. NICHOLSON:

1. (a) What was the total par value of bonds authorized to be issued by the Rouyn Mines Railway Company; (b) what was the amount of such bonds actually issued, with the date of maturity and the rate of interest thereon; (c) were such bonds guaranteed as to principal and interest by the government of Canada or the Canadian National railway company?
2. (a) Was the Rouyn Mines railway constructed under the direct supervision and direction of the Canadian National railway company or by the Rouyn Mines Railway Company as such; (b) was the work done by contract after tenders were properly advertised and received; (c) what was the amount of the contract price?

Mr. MANION:

1. (a) $5,000,000. The Rouyn Railway Company is now called the National Transcontinental Branch Lines Company; (b) $3,396,000 first mortgage 4½ per cent thirty years sinking fund gold bonds maturing October 1, 1955; (c) The Dominion of Canada covenants, as lessee, to pay to the trustee under the mortgage rentals sufficient to meet total interest and sinking fund requirements. The mortgage provides for a sinking fund sufficient to retire the entire issue by maturity, payable in equal semi-annual instalments.
2. (a) The Rouyn Mines Railway Company was constructed by the Rouyn Mines Railway Company as such. The chief engineer, construction department, Canadian National Railways, was appointed chief engineer of the Rouyn Mines Railway, and the line was constructed under his supervision; (b) yes; (c) Contract was at unit prices on approximate quantities.

Amount paid contractors:

Taschereau-Noranda..	$1,702,186 16
Waite-Montgomery branch..	141,061 45
Amulet spur..	64,337 72
Total..	$1,907,585 33

ST. BENOIT DE MATAPEDIA, QUE., POST OFFICE

Mr. MARCIL:

1. Has an investigation been held lately at the post office of St. Benoit de Matapedia, Quebec, by whom, and with what result?

2. In case an investigation was held, who made the complaint, and what was the nature of the complaint?

Mr. SAUVE:

1. Yes, by commissioner Gerard Simard, who found that the complaints made against the postmaster were founded.

2. Affidavits were received from Messrs. Ignace Gallant and Alexis P. Arsenault to the effect that the postmaster had taken an active part in the last federal election.

ST. SIMEON DE BONAVENTURE, QUE., POST OFFICE

Mr. MARCIL:

1. Is there a vacancy for postmastership at St. Simeon de Bonaventure, Quebec?

2. Has a temporary appointment been made, who has been appointed and on whose recommendation?

Mr. SAUVE:

1. Yes.

2. Yes. Lazare Poirier, recommended by E. A. D. Morgan and hon. Doctor E. Paquet.

PASPEBIAC, QUE., CUSTOMS AND EXCISE COLLECTOR

Mr. MARCIL:

Is there a vacancy for the position of collector of customs and excise at Paspebiac, Quebec, and how was the vacancy brought about?

Mr. CAHAN: The present collector is being superannuated as from the 22nd of August, 1931, and the Civil Service Commission has been requested to appoint a successor.

CARLETON, QUE., WHARF

Mr. MARCIL:

1. Who is supervising the work of the extension of the wharf at Carleton, Quebec?

2. When will the permanent appointment be made?

Mr. STEWART (Leeds):

1. Louis LeBlanc.

2. Applications sent to Civil Service Commission on May 8, 1931.

[Mr. Manion.]

CARLETON, QUE., LIGHTHOUSE KEEPER

Mr. MARCIL:

1. Is there a vacancy in the position of keeper of the lighthouse at Carleton, Quebec, and how has it been brought about?

2. Who is in charge of the lighthouse, and on whose recommendation has the appointment been made?

Mr. DURANLEAU:

1. Yes, by the dismissal of the keeper.

2. Henri Joseph Edouard Martin has been placed in temporary charge, by direction of the Minister of Marine, pending a permanent appointment by the Civil Service Commission.

NEWSPAPER MAIL RATE

Mr. CHAPLIN:

1. What is the rate paid by newspapers for the service of carrying newspapers through the mails?

2. What was the quantity (by weight) of newspapers carried during the past fiscal year at the special rate at present in force?

3. What was the approximate cost to the government of carrying these newspapers?

4. What amount was received for the service?

5. What was the net cost to the country?

Mr. SAUVE:

1. Statutory rate is 1 cent per pound.

2. Approximately 100,000,000 pounds carried at statutory rate.

3. Exact figures as to cost of carrying newspapers not available as it is not practicable to keep cost of handling newspapers separate from cost of handling other classes mail matter, but according to special statistics taken a few years ago the cost of handling newspapers mailed by publishers at the statutory rate of 1 cent per pound is now approximately $6,325,000.

4. Approximately $1,000,000.

5. $5,325,000.

STE. SCHOLASTIQUE, QUE., MAIL CONTRACT

Mr. RINFRET:

1. Who at present has the contract for carrying the mail between the post office of Ste. Scholastique, Quebec, and the railway station?

2. On what condition was said contract awarded, and on whose recommendation?

3. Who was holding this contract before July 28, 1930?

4. On what condition was he holding same?

5. Was said contract cancelled from the previous holder, and if so, for what reason?

Mr. SAUVE:

1. Henri Lahaie.

2. At existing rate of payment, viz., $200 per annum, on recommendation of the Postmaster General.

3. O. Legault.

4. Under a four years' contract at $200 per annum, due to expire on December 31, 1930.

5. No. Contract expired on December 31, 1930.

FEDERAL CHARTERS

Mr. RINFRET:

1. How many companies have been incorporated by the Department of State and have secured federal charters: (a) in 1921; (b) in 1926; and (c) in 1930?

2. What was the revenue of the companies branch: (a) in 1921; (b) in 1926; and (c) in 1930?

Mr. CAHAN:

1. (a) 852, fiscal year ended March 31, 1921; (b) 801, fiscal year ended March 31, 1926; (c) 1,280, fiscal year ended March 31, 1930.

2. (a) $445,531.70, fiscal year ended March 31, 1921; (b) $288,655.56, fiscal year ended March 31, 1926; (c) $651,240.54, fiscal year ended March 31, 1930.

DUTY ON MATCHES

Mr. RAYMOND:

What is the duty imposed on matches imported to Canada?

Mr. CAHAN:

Paper matches: British preferential tariff, 22½ per cent less 10 per cent; Favoured nations, 32½ per cent less 10 per cent; Intermediate tariff, 32½ per cent; General tariff, 35 per cent.

Wooden matches: British preferential tariff, 17½ per cent less 10 per cent; Favoured nations, 22½ per cent less 10 per cent; Intermediate tariff, 22½ per cent; General tariff, 25 per cent.

Wax matches: British preferential tariff, 15 per cent; Favoured nations, 17½ per cent less 10 per cent; Intermediate tariff, 17½ per cent; General tariff, 17½ per cent.

BREAKWATER CONSTRUCTION CONTRACTS

Mr. RALSTON:

What were the unit prices in the following contracts: (1) Charlo cove, construction of breakwater extension (Wilfred M. Gerroir), June 25, 1929; (2) Meteghan, construction of extension to breakwater (Comeau, Gaudet, Comeau), August 8, 1929?

Mr. STEWART (Leeds):

1. Cribwork, 14 cents per cubic foot; 5 inch sheeting, $75 per M.F.B.M.

2. Cribwork in place full ballasted and sheathed, etc., $13\frac{9}{10}$ cents per cubic foot.

POLITICAL PARTISANSHIP INQUIRIES

Mr. PARENT:

1. How many inquiries were held since October 1, 1930, following complaints of political partisanship against postmasters in the county of Terrebonne, Quebec?

2. What are the names and addresses of postmasters against whom complaints were made justifying an inquiry?

3. What is the name, address, and occupation of the inquiry commissioner in each case?

4. What was the decision rendered in each inquiry?

5. How many postmasters in the county of Terrebonne were dismissed as a result of said inquiries since October 1, 1930, and what are their names and addresses?

6. What were the costs, fees and other expenses sustained by the government for each of said inquiries?

Mr. SAUVE:

1. Three.

2. Joseph Coupal, Brebeuf; J. L. Dumouchel, Ste. Adele en bas; Isaie Deschamps, Val David.

3. Leopold Nantel, barrister, St. Jerome, P.Q.

4. Postmaster guilty of political partisanship.

5. No dismissals effected.

6. Brebeuf, $51; Ste. Adéle en bas, $37.30; Val David, $35.20.

MARINE DEPARTMENT REPORT—FRENCH EDITION

Mr. RAYMOND:

1. Does the distribution office keep a record or daily book of the various departmental reports laid on the table of the House of Commons, in which is entered the date on which these reports are received for distribution to the members?

2. Does said record show the day and the hour on which the French copy of the 63rd annual report of the Minister of Marine, laid on the table of the House of Commons on March 23, 1931, was received by the distribution office?

3. If so, on what day and at what time of the day was the French copy of the 63rd annual report of the Minister of Marine, laid on the table of the House of Commons on March 23, 1931, received by the distribution office of the House of Commons?

Mr. BENNETT:

1. Yes.

2. Yes.

3. Received 11.10 a.m., Monday, May 11, 1931.

ILE AUX COUDRES PIER, QUE., LIGHTKEEPER

Mr. CASGRAIN:

1. Who was appointed lightkeeper of the lighthouse known as Ile aux Coudres Pier, in the county of Charlevoix?

2. By whom was he recommended?

3. Did he pass the examinations of the Civil Service Commission?

4. What is the salary of said lighthouse keeper?

Mr. DURANLEAU:

1. Joseph Pedneault.

2 and 3. He was appointed by the Civil Service Commission.

4. Minimum $1,800; maximum $1,980 per annum, out of which salary he is required to provide for one assistant.

PUBLIC WORKS, POINTE AU PIC, QUE., SUPERINTENDENT

Mr. CASGRAIN:

1. Is the government aware that Mr. Joseph Forgues was appointed superintendent of public works at Pointe-au-Pic, in the county of Charlevoix, to replace Mr. Joseph Villeneuve?
2. If so, by whom was Mr. Forgues recommended?
3. When did he commence work?
4. Was he appointed after passing the examinations of the Civil Service Commission?
5. What is his salary?

Mr. STEWART (Leeds):

1. No.
2 to 5. Answered by No. 1.

CAP BRULE, QUE., LIGHTKEEPER

Mr. CASGRAIN:

1. Is the government aware that the position of lighthouse keeper at Cap Brule, in the county of Montmorency, is vacant?
2. If so, why was the former lighthouse keeper dismissed?
3. Were complaints made against him?
4. If so, what are said complaints and by whom were they made?
5. What is the name of the present lighthouse keeper at Cap Brule?
6. By whom was he recommended?
7. Did the person appointed pass the examinations of the Civil Service Commission?
8. What is the salary of said lighthouse keeper?

Mr. DURANLEAU:

1, 2, 3, and 4. August Lavoie, lightkeeper at Cap Brule, reached the age of 71 years on 7th May, 1931, and arrangements are under way to retire him under the Civil Service Superannuation Act, 1924.

5, 6 and 7. Gedeon Bouchard is in temporary charge, pending a permanent appointment by the Civil Service Commission.

8. Minimum $1,020; maximum $1,110 per annum.

NEWSPAPERS CARRIED THROUGH MAILS

Mr. GARLAND (Bow River):

1. What is the total number of pounds of newspapers carried through the mails during each of the years 1928, 1929, and 1930?
2. What is the total cost of carrying these newspapers in each of the years mentioned?
3. What is the total amount of money paid to the Dominion government in each of these years for this service?

Mr. SAUVE:

1. 103,596,100 pounds, 108,208,400 pounds, and 105,954,900 pounds respectively at statutory rate of 1c. per pound.

[Mr. Duranleau.]

2. Exact figures as to the cost of carrying newspapers not available as it is not practicable to keep cost of handling newspapers separate from cost of handling other classes mail matter, but according to special statistics taken a few years ago the cost of handling newspapers mailed by publishers at the statutory rate of 1c. per pound is now approximately $6,325,000.

3. $1,035,961, $1,082,084, $1,059,549, respectively, at statutory rate of 1c. per pound.

BANC BRULE, QUE., LIGHTKEEPER

Mr. CASGRAIN:

1. Is the government aware that a lighthouse keeper was recently appointed as caretaker of the Banc Brule lighthouse in the county of Montmorency?
2. By whom was he recommended?
3. Did the new appointee pass the examinations of the Civil Service Commission?
4. What is the salary of said lighthouse keeper?

Mr. DURANLEAU:

1. Yes.
2. and 3. He was appointed by the Civil Service Commission.
4. Minimum $2,100; maximum $2,280 per annum, out of which salary the keeper is required to provide for two assistants.

BUTTER IMPORTS

Mr. CASGRAIN:

1. How many pounds of butter were imported to Canada from Australia, through the harbour of Vancouver, from August 1, 1930, to date?
2. What was the duty, if any, paid on such butter entering Canada as above mentioned?

Mr. CAHAN:

1. Australian butter landed Vancouver August 1, 1930, to May 16, 1931, 1,416,352 pounds.
2. $14,163.52.

MAISONNEUVE, QUE., CITY HALL BUILDING

Mr. ROBITAILLE:

1. Was the government supposed to take possession of the old city hall building of Maisonneuve for use as a post office, if so, when?
2. Did it not take possession of same, and why?
3. When will the government take possession?
4. Will this building be remodelled so as to be used as a post office?

Mr. STEWART (Leeds):

1. The old city hall building, Maisonneuve, was purchased by the government from the city of Montreal, January 15, 1929. At that time the radium institute of the province of Quebec was occupying the building. The city

of Montreal was required under its charter to obtain the approval of the provincial government of Quebec to the sale. In passing the Act of Approval the provincial government added a clause that the radium institute for which the province has to provide premises, should have two years to move from their present place. The period mentioned in the Quebec Act expired January 15, 1931. This date at the request of Premier Taschereau on June 18, 1930, was extended to May 1, 1931. Premier Taschereau again writes on the 16th May, 1931, as follows:—"We are in a very difficult position in regard to our radium institute. It is the only one in the province and we had expected to have it removed to the new building of the University of Montreal. Unfortunately it is not advanced enough to receive the institute and unless you are good enough to grant us an extension of our occupancy of the building until the university is completed the institute will have to be closed. Thousands are receiving treatment for cancer and it would be most unfortunate if the treatments would have to be discontinued. May I be permitted to appeal to your good-will to grant us an extension".

In reply it has been pointed out that this situation cannot be prolonged indefinitely and request has been made that the province fix a definite date when the new university building will be ready to receive the radium institute.

2 and 3. Answer by No. 1.

4. Appropriation of $25,000 in current year's estimates to fit up building for postal purposes.

ROSEMONT, MONTREAL, POST OFFICE

Mr. ROBITAILLE:

1. Will the government establish a post office at Rosemont, Montreal, during the fiscal year 1931-32?

2. If so: (a) when; (b) will a building be erected for this purpose; or (c) will a building be bought or rented?

3. If not: (a) why; (b) when does the government intend to establish a post office at Rosemont, Montreal?

Mr. SAUVE:

1. The establishment depends on the needs of the service. There is no need for a postal station at present.

2. The accommodation to be provided will depend on conditions at the time when the establishment becomes necessary.

3. See answers to 1 and 2.

LA MALBAIE, QUE., EXPERIMENTAL STATION

Mr. CASGRAIN:

1. Is the government aware that the experimental station conducted by the federal Department of Agriculture, located at La Malbaie, district of Riviere Mailloux, under the supervision of Mr. Rene Villeneuve, has been moved to another location?

2. If so, why was this change made?

3. Had complaints been made against Mr. Rene villeneuve regarding the way this station was being conducted, and if so, what was the nature of said complaints, and by whom were they made?

4. Who replaced Mr. Villeneuve as superintendent of said experimental station?

5. By whom was he recommended?

6. What is the salary of the superintendent of the said experimental station?

Mr. WEIR (Melfort):

1. No experimental station is conducted by the federal government at La Malbaie, Quebec.

2, 3, 4, 5 and 6. Answered by No. 1.

DISMISSAL OF MR. PIERRE TRUDEL

Mr. DESROCHERS:

1. Was Pierre Trudel, an employee of the Department of Marine and Fisheries, Quebec agency, recently dismissed from the service?

2. If so, on what grounds, and on whose recommendation?

3. Was the dismissal as the result of an inquiry?

4. Before taking action did the government give consideration to the fact that Mr. Trudel had given twenty years' faithful service to the department?

Mr. DURANLEAU:

1. Yes.

2. Dismissed by order in council dated 21st March, 1931, as the result of charges of political partisanship made by Mr. Charles N. Dorion, M.P.

3. No.

4. No.

ST. SULPICE, ICEBREAKER

Mr. SEGUIN:

1. Was Mr. Médéric Lacombe, who was acting as superintendent of the works for the erection of an icebreaker at St. Sulpice, Quebec, from August 18 to September 15, 1930, dismissed from his duties?

2. If so, at whose request?

3. Were complaints made against him, and if so, by whom?

4. Who asked for the appointment of Mr. J. E. Robitaille, his substitute?

5. Were complaints made against this appointment, and if so, by whom?

Mr. STEWART (Leeds):

1. Yes.

2. Engineer in charge of work.

3. (a) Yes; (b) Engineer in charge of work.

4. District engineer.

5. No.

BONAVENTURE, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Is the Postmaster General aware of the death of Charles F. Forest, for many years postmaster at Bonaventure, Quebec, whose dismissal had been authorized by council but which had not yet been effected at the time of his death?
2. Is it the intention of the department to appoint the widow of the late postmaster, who has been temporarily acting as assistant for many years?
3. Was any complaint made against this office while Mr. Forest was postmaster?

Mr. SAUVE:

1. Yes.
2. Permanent appointment will rest with Civil Service Commission.
3. No complaints received against management.

LITTLE CASCAPEDIA POST OFFICE

Mr. MARCIL:

1. Has a temporary appointment been made to Little Cascapedia post office, county of Bonaventure?
2. If so, on whose recommendation and who has been appointed?

Mr. SAUVE:

1. No.
2. See answer to Question No. 1.

BUTTER IMPORTS

Mr. RHEAUME:

1. How many pounds of butter were imported to Canada from February 1, 1931, to May 1, 1931?
2. What quantity came from New Zealand?
3. What quantity from Australia?
4. What duties were collected per pound?

Mr. CAHAN:

1 and 4. Total imports of butter from all countries entered for consumption in Canada: February 1 to April 30, 1931, 2,147,494 pounds. Rates of duty collected: 8,462 pounds at 14 cents per pound; 57,176 pounds at 12 cents per pound; 398,440 pounds at 8 cents per pound, less 10 per cent; 1,683,416 pounds at one cent per pound.

2 and 4. Imports from New Zealand entered for consumption in Canada: 286,440 pounds all at 8 cents per pound, less 10 per cent.

3 and 4. Imports from Australia entered for consumption in Canada: 1,683,416 pounds, all at 1 cent per pound.

CERTIFICATES OF NATURALIZATION

Mr. RINFRET:

1. How many certificates of naturalization were granted according to section 4 of The Naturalization Act, during the year 1930?

[Mr. H. A. Stewart.]

2. How many certificates were granted according to section 6 of the same act, during 1930?

Mr. CAHAN:

1. Certificates issued under section 4, 10,307.
2. Certificates issued under section 8, 587.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DISMISSALS OF POSTMASTERS

Mr. GOBEIL:

1. How many postmasters were dismissed in Canada from January 1, 1922, to August 4, 1930, and how many for each year?
2. How many by counties were dismissed during the above-mentioned period?

POPULATION OF CANADA

Mr. MACKENZIE (Vancouver Centre):

1. What is according to the best available information the present population of Canada?
2. How many people in Canada are now drawing pensions, either war pensions, old age pensions or any other form of retiring pensions, grants or annuities, from the state?
3. What is the total amount of such pensions paid in Canada during 1930?

Mr. BENNETT: Mr. Speaker, it is obvious that only a very limited amount of the information asked for is available so far as the Dominion government is concerned. Efforts will be made to secure the necessary information, but in the meantime this question will have to stand as an order for return. It may be very difficult to answer some of the questions.

INTEREST ON LOANS

Mr. RAYMOND:

1. What is the sum of interest paid by the government of Canada for the years 1928 and 1929, respectively, on account of loans effected by the issuance of bonds subject to income taxation?
2. For what portion of these various loans did the government issue bonds payable to bearer?
3. For what portion of said various loans did the government issue bonds entirely nominative?
4. According to reports made to the Minister of National Revenue regarding income taxation for the years 1928 and 1929, respectively, what is the total amount of incomes derived from the interests on said bonds so issued, and subject to income taxation?
5. What is the total amount of taxation received by the Department of National Revenue during the years 1928 and 1929, respectively, on account of interests received by the holders of these bonds, issued by the government, and subject to income taxation?

Mr. BENNETT: Mr. Speaker, this question, as well as another one asked by the hon. member, involves an enormous amount of work. For instance, the second question is:

For what portion of these various loans did the government issue bonds payable to bearer?

To answer this question would entail tremendous work on the part of the department, and it should stand as an order for return.

Mr. SPEAKER: Question stands as order for return. Shall the other question stand as an order for return?

Mr. BENNETT: No, just this particular one.

MR. OSCAR DROUIN

Mr. DORION:

1. Did Mr. Oscar Drouin, of the city of Quebec, from December 29, 1921, to August 1, 1930, conduct any inquiries for the Post Office Department, and if so, what inquiries were held, and what was the amount paid to him?
2. How many postmasters were found guilty through inquiries made by him?

MR. WILFRID STE. MARIE

Mr. DORION:

1. Did Mr. Wilfrid Ste. Marie, lawyer of Hull, Quebec, from December 29, 1921, to August 1, 1930, hold inquiries for the Post Office Department, and if so, what number were held and where, and what amount was paid to him for said inquiries?
2. How many unfavourable reports were made against postmasters, and how many of them were found guilty through the inquiries so held?

UNOPPOSED MOTIONS FOR PAPERS

DRYDEN MAIL CONTRACT

Mr. HEENAN:

For a copy of all documents, letters and correspondence, in the possession of the government or any member thereof, in connection with the contract for carrying mail between the railway station and the post office at Dryden, Ontario, from August 1, 1930.

DISMISSAL OF MR. ISAIE DESCHAMPS

Mr. PARENT:

For a copy of all orders in council, documents, correspondence, memoranda, in connection with the dismissal of Isaie Deschamps as postmaster at Val David, county of Terrebonne, Quebec, together with all reports of proceedings of any inquiry or investigation made into the conduct of the said postmaster since January 1, 1931.

ST. SULPICE ICEBREAKER CONSTRUCTION FOREMAN

Mr. SEGUIN:

For a copy of all documents, letters, correspondence, complaints and recommendations regarding the appointment of Mr. Médéric Lacombe as foreman of the works for the construction of an icebreaker at St. Sulpice, in 1930, and his replacement by Mr. J. E. Robitaille.

ST. TITE DES CAPS RURAL MAIL SERVICE

Mr. POWER (for Mr. Casgrain):

For a copy of all correspondence, letters, telegrams, requests and other documents, exchanged to date between the Postmaster General, the officers of his department at Ottawa and Quebec, and the citizens of St. Tite des Caps, county of Montmorency, regarding the establishment of a rural mail service, known as rural route No. 1, in the parish of St. Tite des Caps; also a return showing list of tenderers and the amount of tenders in each case, in connection with the said service.

FIXING OF WHEAT PRICES

Mr. MOTHERWELL:

For a copy of all correspondence and other communications between the hon. Sir George Foster, then Minister of Trade and Commerce, in 1916 and 1917, or any of his departmental officials or colleagues, and officers of the Canadian Council of Agriculture or any other farm organization functioning on the prairie provinces, with respect to the fixing of wheat prices in Canada, in order to avert, if possible, wild and speculative food prices prevailing during war times.

ST. EUGENE POST OFFICE

Mr. FAFARD:

For a copy of all correspondence, letters, telegrams, reports, requests and other documents, exchanged between the Post Office Department and any other person or persons, since July 29, 1930, with reference to the post office of St. Eugene, in the county of L'Islet, Quebec?

L'ISLET STATION POST OFFICE

Mr. FAFARD:

For a copy of all correspondence, letters, telegrams, reports, requests and other documents, exchanged between the Post Office Department and any other person or persons, since July 29, 1930, with reference to the post office of L'Islet station, in the county of L'Islet, Quebec.

MEDICAL EXAMINER OF PILOTS

Mr. C. G. POWER (Quebec South):

For a copy of all correspondence, applications, reports, memoranda and recommendations in the possession of the Department of Marine or any of the ministers of the present government, relating to the employment by the Department of Marine as medical examiner of pilots for the district of Quebec, of Dr. L. A. Dussault.

Mr. DURANLEAU: I want to draw the attention of my hon. friend to the fact that a similar motion was adopted in April last as will be seen by a reference to page 862 of Hansard, except that to the present motion my hon. friend is adding the words:

Or any of the ministers of the present government.

I have no objection to the passing of this motion if it reads—

For a copy of all correspondence, applications, reports, memoranda and recommendations in the possession of any department of the present government except the Marine department.

—because the Marine department has already brought down what it has in its possession.

Mr. POWER: The Minister of Marine probably misunderstood the purport of the order. The order to which he refers, which was granted previously and in response to which documents were brought down, asked for documents relating to the dismissal of Doctor Vaillancourt and the appointment of Doctor Dussault in his stead. In the present motion the request is only for a copy of all correspondence, reports and recommendations in the possession of the Department of Marine or any of the ministers of the present government relating to the appointment of Doctor Dussault. This is quite different from the former order. No doubt in the Department of Marine and Fisheries there will be found correspondence and recommendations, with respect to Doctor Dussault, and possibly some of the other members of the government have such recommendations.

Mr. DURANLEAU: In accordance with the former motion adopted we had to bring down any documents concerning the dismissal, if you call it such, of Doctor Vaillancourt, and the appointment of Doctor Dussault, and we have complied in each case in so far as we have documents of that nature.

Mr. POWER: In the motion which is now before the house, a request is made for applications for and recommendations to the position now occupied by Doctor Dussault. I do not think that was included in the former order to which the minister refers. I shall, however, be quite satisfied if the minister brings down whatever information he has.

Mr. DURANLEAU: If I have anything else I shall bring it down, but I think the motion should be amended to include all the departments except the Marine department.

Mr. POWER: No; I am asking from the Marine department certain things which were not asked for in the other order.

Mr. BENNETT: The minister said he would bring them down.

Motion agreed to.

[Mr. Duranleau.]

NATIONAL HEALTH

PROPOSED GRANT TO PROVINCES IN AID OF FULL TIME HEALTH UNITS

Mr. H. E. SPENCER (Battle River) moved:

That, in the opinion of this house, the government should take into consideration the advisability of carrying into effect the decision of parliament made on the 3rd March, 1930, to make grants to the provinces equal to one-third of cost of establishing, and to cover permanently, such full time health units as may be organized.

He said: Mr. Speaker, a year ago I had the pleasure of introducing in this house a resolution somewhat similar to the one we are considering to-day. That resolution read:

That, in the opinion of this house, the government should take into consideration the advisability of making grants to the provinces equal to one-third the cost of establishing, and to cover permanently, such full time health units as may be organized.

During the discussion, which I am glad to say was participated in by hon. members from various parts of the house, every one of the seventeen members who took part was favourable to the resolution, and the result was that the house unanimously endorsed the principle. The question might well be asked: If that were the case last year, why bring a similar motion to the house again this year? I do so for the simple reason that since that time we have had a change of government, and although the members of the present government were very sympathetic to the resolution I introduced a year ago when they were in opposition, I thought it just as well to test out their opinion now that they are in office.

To-day, both in provincial and federal legislation, we are giving consideration to many things that were at one time left to the individual. One of those subjects of course, is that of education. We realized that education is a national asset, and we make it compulsory that all boys and girls shall devote so many years of their lives to acquiring an education of some sort. We are now more and more coming to the opinion, generally speaking, that health should be put on exactly the same basis as education, that the health of the nation is a national asset, and that its care cannot be left entirely, as has been too much the case in the past, to the individual. In world competition to-day an unhealthy nation can no more compete against a healthy nation than can an ignorant nation stand up against a well-educated one. It is with that idea in mind that I am bringing forward this resolution in the hope that the government will

look upon it as sympathetically to-day as they did when in opposition and assist in carrying out the proposals that I am putting forward.

Speaking in support of a resolution with regard to health some weeks ago, I mentioned that to-day the health of a man and his family is governed practically by the length of his purse, if he has any purse at all. One hon. member on the other side of the house who happened to be of the medical profession said in reply that he did not think that such was the case. He felt that the medical profession generally never hesitated to take care of the sick when they needed care, whether they had any more money or not. I am proud to be able to say that I think that is so in most cases, but unfortunately there are cases, and I have come across them, where the medical official does not always take that generous attitude. I well remember the case of a family in 1918 during the flu epidemic. This family was attended by a medical practitioner, but as soon as he found out that they had no money and that he was not likely to get paid, he left instructions with them how to take care of themselves and said that he was too busy to come again. But just as soon as the municipality decided to guarantee all the medical bills of those who were suffering from influenza, this same practitioner came back and continued to visit the family regularly. The same man told a friend of mine that if the flu had lasted for only two years more, he would have been in a position to retire for good. I just throw that out in answer to the criticism of my statement that was made the other day.

Under present conditions, too many people, fearing the cost of medical or hospital care, put off calling in the necessary medical assistance until it is too late. It is to get around this difficulty that I am proposing this resolution to the house. Through preventive medicine a lot of people can be guarded against sickness. That is much better than allowing themselves to become ill, and then attempting a cure.

I am very glad to give praise to the splendid work that has been carried on by the Canadian Social Hygiene Council in educating the people throughout this country to the importance of taking care of health. Many organizations are engaged in health educational work, and many suggestions are being made. The one before us to-day is that of the full time health unit. This system of preventive medicine, of course, has been very successful indeed in the United States, where they have between 300 and 400 health units, working with splendid results. This system has been encouraged in this country and elsewhere. Some parts of this country have taken advantage of the offer of the Rockefeller Foundation, which very generously provides one-third of the cost of these health units for the first three years. When they have been going three years and the Rockefeller Foundation steps out, according to the agreement, the extra expense has to be taken care of locally by the provincial government or some other body, and what I am asking in this resolution is that the federal government shall assume its share and bear one-third of the cost of these full time health units.

Mr. ILSLEY: After the first three years?

Mr. SPENCER: Yes.

Sickness is not local or provincial; it is interprovincial, and as the federal government look after various matters of interprovincial concern, I ask that they assume the responsibility of looking after one-third of the cost of these health units for the purpose of preventing sickness, because sickness so far as we are concerned is interprovincial. The various provinces of Canada have begun to organize to a considerable extent full time health units. The province of Quebec has been ahead of all the rest. It has to-day twenty-three health units, and is organizing three more. British Columbia has five, and is very enthusiastic indeed over their success already; Alberta is organizing two health units this year.

As to the cost of these organizations, I was reading some literature from the province of Quebec this morning, which shows that the average cost of a health unit is from $12,000 to $13,000, and they are serving anywhere from 15,000 to 53,000 people, according to the density of the population.

I should like to quote from a letter that I received the other day from Dr. H. E. Young, who is a provincial health officer for British Columbia. He sent me a booklet on health, and he says:

> On page 41 there is an account of the Saanich unit, the first one established. I would particularly call your attention to the improvement in school attendance, the correction of defects and the saving in money, particularly in regard to the amount of money saved as a result of our work in reference to retarders, or what may be called the cost of educating children who have to repeat grades. You will note that while retardation cost Saanich $17,000 in 1928, the cost was reduced to $11,000 in 1929, and this has been further cut down to $600 in 1930. This has been largely due to our work in conjunction with the inspector of schools, who is a very able man. This has been a remarkable saving in cost.

He says further:

I have not a printed report of North Vancouver health unit, which was opened last September, but the response of the people after the first few months of operation has been wonderful.

The letter ends as follows:

We began this work in the autumn of 1927 and the results have more than justified our predictions. In a unit the work is consolidated, the nurses are well trained, the medical man in charge does not practise, but devotes his whole time to preventive work, and the people are realizing the real purport of our efforts, and public education on health matters is progressing in a most satisfactory manner.

There is so much good material from which I could draw for the purposes of this address I find some difficulty in knowing what to leave out. I wish particularly to put on record a statement made by Sir William Arbuthnot Lane which deals specially with preventive medicine. Sir William Arbuthnot Lane was one of the foremost physicians and surgeons of Great Britain. He pointed out the folly of the present system of treating the sick instead of saving lives by the prevention of disease. The quotation is as follows:

The great development of the future in medicine, as I see it, will lie in the scrapping of present ideas and the concentrating upon keeping people fit and enabling them to build up physical power and energy to resist disease.

And the quotation goes on as follows:

More and more doctors are beginning to realize that it is archaic folly to treat only the sick.

I am informed by medical men that such diseases as diphtheria, typhoid fever and scarlet fever are largely preventable. Yet in spite of this fact great numbers die annually of these diseases. To give some idea of the extent to which these diseases may be controlled, I find by records which I trust are correct, that during the war period typhoid was so controlled that from this disease we did not lose a single Canadian soldier in France. We find from the records that within a period of one year tuberculosis is responsible for the death of over 7,000 people. Yet, according to literature put out by the Canadian Social Hygiene Council this disease could be completely eliminated by the exercise of health control. Similar figures are available with respect to cancer and heart disease. I think, however, for my purposes the figures I have quoted are sufficient. In closing I should like to quote from one of the addresses given in the house about a year ago. Hon. members will recall that the then Minister of Finance, although speaking in support of the resolution, simply asked the question: "From where is the money to come"? At this time I am going to quote from the remarks of the right hon. gentleman who is now the Finance minister. Speaking in the debate which took place on March 3 last year the Hon. R. B. Bennett made the following statement, as at page 234 of Hansard:

Touching the necessity for the establishment of health units nothing need be said; I think the case is complete almost before it is stated.

At a later stage he said:

"A nation's health is a nation's wealth." We as a parliament are concerned in the health of the Canadian people as a whole. To the extent to which men are able to labour, free from disease, we have added to the national wealth; to the extent which citizens by studying preventive medicine obtain knowledge, from clinics and other methods, for which the nation might well pay, we have added to the national wealth of Canada.

And, further he states:

We are asked merely to make a grant in aid of the effort which the provinces will carry forward to ensure the health of the Canadian people as a whole, not provincially but nationally, not in a narrow and circumscribed area but throughout this Dominion as a whole, in order that the knowledge of preventive medicine may become universal and in order that the greatest means known to man to increase the national wealth, namely, measures to ensure the national health of our people, may become an accomplished fact.

I am in support of this resolution for that reason.

Those were the words of the present Prime Minister of this country. I have not the slightest doubt that he believes the same today. I know that he is very much interested in the subject of health, because for some years he was closely connected with the work of the Red Cross. Whether or not we may agree with him concerning certain subjects we recognize that our present Prime Minister is a man of action. Having heard his words last year, I hope he will this year repeat them. In view of the fact that he holds the most important portfolio, that of finance, I hope he will see his way clear again to support this resolution which was so well supported last year by hon. members behind him.

Mr. ILSLEY: Can the hon. member give any information as to what has been done in the maritime provinces?

Mr. SPENCER: No, I have no figures concerning the maritime provinces.

Mr. F. W. GERSHAW (Medicine Hat): I rise to support the principle of this resolution because if adopted it will carry to the door steps of the people of this country the very

best that has been learned along the lines of preventive medicine. I believe the suggestion is sound in theory, reasonably easy of application and possible under present financial conditions. If adopted it will represent a progressive step toward a more even distribution of the benefits of the best that the age affords in the way of preventive medicine and health insurance. Every province has done much to assist in curing disease. For instance, the province of Alberta has encouraged the building of twenty-two municipal hospitals and pays grants to eighty-seven approved hospitals. That province supports a provincial sanatarium and was the first to construct a special hospital for the treatment of infantile paralysis. Those of us who know about the deformities left by this dread disease will be most enthusiastic in the support of this movement. That province also provides some physicians in outlying rural districts, and travelling clinics do much to provide dentistry and minor operations for people in districts who otherwise would not receive such care. A health unit is something which will appeal to the people who dread or shrink from the necessity of travelling long distances or going among strangers to receive advice or care. The health unit would bring to the homes of the people the advice they are entitled to receive.

What is a health unit? In Alberta there is a proposal to establish two units during the present year, one at Red Deer, and one at High River. The total cost is expected to reach about $10,000 or $12,000 per year. The Rockefeller Institute will provide one-quarter of the sum for the period of three years, the province will provide one-half and the remaining quarter will be raised by the municipalities included in the unit. The staffs have already been appointed consisting of a medical officer specially qualified in public health work, a sanitary inspector, a secretary and a public health nurse. This is not some new or untried venture. Health units have proven their usefulness for a period of twenty years. The first unit was established in Yakima county in 1910 and there are now 500 health units in the United States. Quebec has twenty-three, Saskatchewan has two, New Brunswick three or four and British Columbia four.

Now, briefly what is the work of these health units? It falls naturally under four heads. The first is child welfare, and has to do with examination of school children and children of pre-school age. Are hon. members aware that thirty out of every hundred children attending school have defective eyesight? This is often neglected and it results in much sorrow and much discomfort later in life. A large number of children have diseased tonsils and teeth, defective heart and lungs, and suffer from malnutrition. These health units will have officers right on the ground who will go to the homes and talk to the parents on the disabilities that their children are labouring under and advise them as to the best means of obtaining treatment. The second division of this work covers control of contagious diseases. Something has been said about the prevention of diphtheria, smallpox and scarlet fever. It has been stated on good authority that diphtheria and scarlet fever should be unknown in the next generation of children, there being methods of immunization which in the great majority of cases will prevent these diseases. The health unit also takes control of venereal disease, tuberculosis and infantile paralysis. Certainly this offers a great field of activity, and if the work is properly conducted it will bring glorious results. The third heading has to do with public health education, that is, sanitary inspection, testing of water supply and food, vital statistics, disposal of sewage, as well as education along the lines of cleanliness.

I have left to the last perhaps the most important work which could be done locally by a health clinic; I refer to life extension work. In one of these districts there are probably 3,600 school children, and the activities of the health unit would effect a saving of $1,800 right there. What are the causes of sudden death among men and women during the years of their active life? Tuberculosis is no longer the dreaded disease that it once was, but there is still a great deal of mortality attributable to heart disease, kidney trouble and diabetes. What are the causes of these deaths? Some are caused by complications resulting from infectious diseases suffered in childhood. Many deaths are caused by improper habits of living, by unwise diet, and by the presence of infectious foci which are slowly poisoning the system. Where is the man or woman approaching fifty who should be examined to see if any of these diseases are present in their early stages? Acting on what such an examination discloses the proper means of treatment may be taken advantage of. We hear of the sudden death of many people at fifty and onwards, and I am convinced that a little money spent in encouraging the establishment of health units would do much to prevent this mortality, because appropriate treatment could be taken in time to eradicate or control the trouble.

It used to be said, "If you wish to be healthy go to the country." That advice does not apply at the present time because the death rate in the country is 8 per cent in excess of that in the cities. Modern preventive medicine has done much to lower the death rate in urban centres. Due to sickness and disease we have an economic loss of $300,000,000 a year. We do much to prevent fire hazards. Surely we should do much more to prevent premature death and thus preserve the precious asset of healthy people. In short, the aims of health units would be to make growth more perfect, decay less rapid, death more remote, and life more vigorous, happy and successful. The watchword is prevention.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): Mr. Speaker, the house is indebted to the mover of this resolution (Mr. Spencer) and the hon. member who has spoken in support of it (Mr. Gershaw) as well as to other members who last session took part in the presentation of this important subject of health units, for its discussion familiarizes hon. members and the public with this special method of caring for public health. In Canada public health units were established only a few years ago, and even in the United States, as the hon. member has just said, it was only about twenty years ago that they were there established.

Before I deal with the subject matter of the resolution I should like to draw the attention of the mover to its wording—

> —the decision of parliament made on the 3rd of March, 1930, to make grants to the provinces—

As far as I understand it, the resolution referred to was that the house commend the subject matter to the favourable consideration of the government.

Mr. SPENCER: I have the resolution and will hand it over to the hon. minister.

Mr. MacLAREN: I thank the hon. member. It reads:

> That, in the opinion of this house, the government should take into consideration the advisability of making grants.

Well, that does not say that it is the decision of parliament to make grants.

Mr. SPENCER: Parliament decided last session to accept the resolution.

Mr. MacLAREN: Yes, but the resolution does not state that parliament would make grants. Money could not have been voted under that resolution. I think if the mover will refer to the debate last session he will find that this house simply commended to the favourable consideration of the government the making of grants to establish health units.

Mr. GARLAND (Bow River): Mr. Speaker, is it not true that always resolutions of this character must be framed in that way, because a private member may not introduce a resolution or motion which involves the expenditure of public funds? The decision of the house was undoubtedly that work should be done along that line.

Mr. MacLAREN: I do not quite accept the explanation of the hon. member for Bow River (Mr. Garland). The resolution last year was correctly framed, but I do not think the present resolution is, for undoubtedly parliament did not make a grant as stated. I simply mention this for the sake of accuracy. I think that the mover intended both by the resolution he moved last session and by the one now before us that health units be looked upon favourably by the government. The present situation, as we know, is that within the past few years the development of health units has progressed very considerably in Canada, and at present in Quebec there are some twenty-three of these units. Let me say that the province of Quebec has led in this special activity.

Sir EUGENE FISET: But may I direct the attention of the minister to the fact that in Quebec at present the burden falls on the municipalities as much as it falls on the provincial government. That is why this resolution will be of great help, even in the province of Quebec, if it is accepted.

Mr. MacLAREN: As I said before, the province of Quebec has led in this activity—I am not referring to the provincial government especially—and it has been particularly fortunate in that the movement has received the confidence and support of the people generally to a marked extent. The secret of the spread of health units in Quebec is that their establishment has been acceptable to the people generally. The people of that province, together with the clergy, have done what they could to further this advance, and it is well known that one of the secrets of success in health work is to obtain the hearty cooperation of the people. There have been many instances in the past where people were indifferent to or resisted health measures, but in this case the country has been fortunate in having these proposals received with open arms, as far as I have been able to observe.

There are a few units in British Columbia, and of course that is the way we must start. Some hon. member asked a moment ago about the maritime provinces. I am afraid he is not here at the moment, but in this connection I may say that I am informed that some philanthropic organization, some large insurance company or in any case some organization desirous of doing good, has undertaken to finance two health units in Prince Edward Island, which will cover that province. Not long ago it was announced that the province of Ontario proposed to institute health units, and while these plans are being held in abeyance at the moment I think the people of the province generally are looking forward to the organization and establishment of these units.

Within the last few years there has been a very considerable advance in this direction, and certainly there has been much evidence of the approval of the people and of health authorities. This is a sound, practical method of dealing with public health. Perhaps I should have mentioned also that in the United States, where this work was started before it was begun in Canada, there are something over four hundred units at the present time.

It seems to me that these health units very well might be called rural health units, because I think their great usefulness is in the rural districts. Cities of any size have health units to-day, many of which are doing excellent work, but the rural population is not supplied to any extent with the protection and comfort of these health measures. It has been thought desirable, not only from the standpoint of health but for the good of the country, to offer this protection and comfort to the rural population so that they may enjoy the advantages which are afforded the people living in cities. Other things being equal, one would have reason to suppose that the health of the rural community would be better than that of the city, but that is not the case. I think the obvious explanation is that health measures are not available in the country to the same extent that they are available in the cities, and the health measures of the city are sufficient to overcome the advantages of the pure air and sunshine of the country.

There is one thing we should not forget, and that is that these health units may be of great advantage in maternity welfare. Of course they will do good work in connection with contagious diseases and so on, but maternity welfare is going on, or should be going on all the time, no matter how healthy a community may be. Unfortunately, in the country the care given mothers must be very inadequate, and I believe this method may do a great deal towards meeting this very important need.

As hon. members are aware, these units are composed of four or five individuals; there is a health officer, a sanitary inspector, one or two trained nurses and perhaps a clerk. The great advantage lies in the fact that there is a full time health officer. The day has gone when we can depend on any general practitioner being an efficient health officer. The work is too great and the advances in public health are too frequent to enable us to look for efficiency in public health matters in a general practitioner.

I do not think we need over-emphasize this matter of health units; there is no doubt they are very excellent things. The question is how to establish them. As the mover of this resolution has pointed out, this subject has received the warm support of the present Prime Minister, and I am sure his opinions have not changed in this regard. We have had several very important health matters discussed in this house during the session, and hon. members will notice from the order paper that there are still others to be considered. I believe they must be worded out in some systematic way, for it would be hardly possible to start them all at the same time. It is proposed that a conference shall be held to which will be invited the health officers of the different provinces. I cannot state definitely just when that conference will be held, but it will be at some convenient and suitable time.

Mr. MACKENZIE (Vancouver): To whom will invitations be issued, the provincial ministers or their deputies?

Mr. MacLAREN: To the health officers, but I do not wish to be too definite about that. The health authorities of the different provinces will be invited to come to Ottawa to take part in this conference.

Mr. SPENCER: Mr. Speaker, is it not a fact that the Dominion health council, comprised of the health officers of the provinces, met in Ottawa in 1928 and went on record unanimously as being in favour of full time health units?

Mr. MacLAREN: I believe that is a fact. I remember reading something about that not very long ago but I cannot say that I have actually seen the resolution. These different health officers will be invited to this conference to consider the proper methods to be adopted and the parts to be played by the

Dominion and provincial governments. Under these circumstances action on this specific resolution cannot be promised at the present moment, but it will be considered at the appropriate time.

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, I desire to express my entire accord with the resolution. I am decidedly in favour of municipal health units, or full time health units being established wherever they are needed in Canada. There are many districts in Canada where such a service is needed. As I intimated on a former occasion, I would like to see the government go farther and establish periodic medical examinations for the entire citizenship of Canada. I would like to see facilities provided for the people of this country to obtain medical treatment at such times as it was necessary. The establishment of full time health units is a decided step in the right direction. There are sparsely populated districts which cannot possibly undertake the establishment of health departments, and this is an excellent substitute. I have nothing more to say on this matter at the present time other than to express my entire accord.

Sir EUGENE FISET (Rimouski): Mr Speaker, I was rather struck with the minister's statement that it is the intention of the government to invite this year the heads of the various health departments.

Mr. MacLAREN: I did not say this year.

Mr. GARLAND (Bow River): We had hoped it would be this year.

Sir EUGENE FISET: Although I have no definite knowledge as to what is taking place outside of my own province, I can speak with authority as to what has occurred in Quebec. Great strides have been made during the past few years in that province. Rural Quebec has been divided into ten districts, at the head of which is a permanent health officer. In each unit there is one fully qualified doctor, two nurses and a sufficient executive staff to carry on the work. Marvellous work has been carried on in the rural districts during the past two years, but there is no question that the maintenance of these health units is becoming quite a burden on the municipalities. The success obtained is due to the education of the people, to the efforts of the clergy and to the efforts of the medical profession. Should the minister decide to call a conference either this year or next year I would suggest that not only the heads of the different health departments be invited, but also the men in charge of each district who would derive tremendous benefit by being present at this conference and listening to the discussion. I sincerely hope the resolution which was proposed last year and accepted unanimously by this house, and out of which we expected some action, will be considered even more favourably this year and if no immediate relief can be given to the provinces this year, we hope that something will be done next year.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, I have no intention of saying more than a very few words on this subject because there seems to be complete unanimity in the house. Several facts stand out as definite and as being accepted by this house. The first is that the maintenance of public health, both by preventive and curative measures is essential for the nation. The second is that there is perhaps no better method of ensuring that health than by means of health units, particularly so in the sparsely settled districts where it has been found very difficult to provide medical and hospital attention. This is a matter which the public in one capacity or another should support. When I say the public, I mean in a financial sense as municipalities, provinces or the federal government. Every effort should be made to avoid wastage and to assure that the proper results are reached. Every method of coordination should be used, and one definite plan should be adopted from one end of the country to the other. To achieve that end we must have the financial cooperation of the municipalities, who have a certain definite responsibility and who understand as no other authority can understand the peculiar circumstances of each particular case; we must have the cooperation of the provinces with their knowledge on a wider scale of the necessities of their particular districts, and as germs and disease know no provincial boundaries, any more than they can be kept closed in by the wire fences of any particular municipality, we must have some federal cooperation expressed in the terms of financial assistance. In my opinion the one practical step which should be taken at the moment is that when such a conference is held, as has been suggested by the minister, and when the matter is discussed, it would be not only of value but almost essential that the different representatives in meeting should know exactly how the different authorities view this matter; that they should know whether in the plans which they may discuss and which they may be prepared to draw up, they may depend upon the effective support of all those three authorities, because the plans which they might lay at such a conference must rest

to a very large degree upon their knowledge of the attitude which the federal, provincial and municipal governments will take when these plans are put into effect. To that end I would again suggest it would be well for the house as it did a year ago, once more to express its opinion—I am not speaking about division or a recorded vote—and pronounce definitely by the acceptance of this resolution, thus giving assurance to those representatives when they meet, that when they draw up their plans they may depend again upon the definite sympathy and financial support of parliament as well as of the provincial and municipal authorities. Therefore I feel that this resolution should be accepted unanimously, and the government should continue to give that consideration which would enable them to supplement with effective support those plans at the time they are definitely drawn up.

Mr. G. D. STANLEY (East Calgary): The resolution before the house brings up a very interesting discussion of the whole question of health activities as they affect the federal government, provincial governments and municipal governments, the division of jurisdictions, and the degree of activity which should be pursued by the various governments, all pressing upon us the necessity for some definite decision, after proper conference, between the different governments in regard to the division of their jurisdictions. The other day when we were discussing the question of state medicine, preventive medicine was brought forward as one of the great functions of the state, and I for one am quite prepared that, as far as the resources of the country and as far as the financial resources of the various governments will permit, the state should stand behind preventive measures in connection with health activities.

When we come to the question of health units, we have one of the best efforts of scientific minds to-day in advancing preventive measures. Real undertakings in some of the provinces are being advanced. In the province from which I come, as an hon. member has already pointed out, two health units are being established, fairly well organized and ready to start functioning. I believe Ontario has announced a wider program and the provincial ministry of health intends to establish in different parts of the province health units carried out on a more extensive scale than is the case at present.

Mr. TUMMON: It is twenty years ago since they first started.

Mr. STANLEY: Yes, but the idea of a health unit, as we understand it to-day, is wider in its definition than it was twenty years ago. The hon. member to my left is correct when he says that Ontario started health units twenty years ago, radiating from the city of London. May I say here that the undertaking of that health unit in those days was one of the pioneer movements of a real advance in preventive medicine on this continent. There is no question about that. If parliament makes a grant to the health activities in the provinces it should be with the idea of encouraging a further and wider development. Personally I would not be in favour of extending grants to the provinces simply as a substitute for some of the money which they are now spending on present health projects. At present they have undertaken in some instances and have already announced programs in other instances for the establishment of health units. Beyond that there is no question the provinces are preparing themselves for a more extensive program along that line. That is as it should be and the grants from this government should be made with the idea not of being a substitute for money which the province is already spending or which it intends to spend for that purpose, but only of making wider application of preventive measures that will be undertaken in health units.

That of course brings up the whole question of what should be done in regard to health activities on the part of the various jurisdictions. I cannot emphasize too strongly the necessity for a conference between the provinces, the municipalities and the federal authorities in regard to matters of this kind and the measures which they propose to take. A definite system should be adhered to, and it would not be wise for the federal government simply to make a grant to this, that and the other provinces without some definite system being established.

May I point out just a few of the difficulties which are presenting themselves to the governments and which should become proper subjects for discussion in a conference such as has been suggested. The other day I received a resolution and the hon. member for Medicine Hat (Mr. Gershaw) received a similar one from the College of Physicians and Surgeons of Alberta, calling our attention to the fact that the number of narcotic drug addicts in the various provinces of Canada is very considerable and is increasing at an alarming rate. The responsibility for the enforcement of the Narcotic Drug Act lies with the federal government. If I understand scientific measures in regard to the treatment of drug addicts, they cannot be dealt with except by institutional treatment.

It is the only way in which effective results can be secured. The efforts of private physicians to treat the addicts to narcotic drugs is sure to meet with failure. At the present time the drug addicts in our province, and I presume it is the same in most of the provinces, are either given treatment in their homes by private physicians, or they are sent into the general hospitals for treatment, or as is done in our province, in some cases they are committed to a mental hospital for treatment. Now in the great majority of the mental hospitals in this country, and in practically all of our general hospitals, there are no facilities for the proper treatment of drug addicts, and if any advance is to be made in their treatment there must be special institutions for their special treatment. The question at once arises, who shall provide those institutions? Shall it be the municipality, the provincial government or the federal government? Who shall provide for their maintenance? That is a proper question, I think, for discussion at such a conference as has been suggested.

May I go just a little further in regard to some of the difficulties that present themselves? To-day the question of caring for mental cases in all the provinces is becoming a tremendous task. It is a burden that is resting upon the taxpayers of our province almost beyond endurance. I am informed, and I believe it is correct, that there are more mental cases in the mental hospitals of Canada than there are patients in all the other general hospitals in this country put together. If that statement is correct it gives the house some idea of the problem that presents itself, and the sad feature is that the number of mental cases is increasing year by year. The question arises, are we going to be able in the provinces and in the municipalities to deal with the cases in the way that is required? Is the burden going to be carried as it has been carried in the past? Those again are questions that I think might properly come under the survey of the proposed conference.

If the federal government is going to enter further into health activities, may I in that connection point out that the greater portion of the cost of sickness is included in the hospital costs. To-day most of our hospitals are finding their financing a great burden, which is becoming heavier every day. Heretofore the provinces have been giving grants, small as compared with the great work that has been done by the hospitals. If the highly expensive care of the patient which is given in our hospitals is to be continued and if the preventive medicine side of the work that has been asked of our hospitals is to be extended, measures must be provided for the necessary financing. That again is a proper subject for discussion at the proposed conference.

Hence, Mr. Speaker, while I am in favour of any action by any government that would advance the cause of preventive medicine, whether it be the promotion of health units, greater activity in our health organizations in the municipalities, in the provinces or in the federal sphere, at the same time it seems to me that the problem is of such magnitude and such great importance that the federal government should very carefully deliberate just how it can be most effective in its assistance, and where financial assistance is given to preventive medicine, how it can be given most effectively, and where the jurisdiction should lie. All these considerations impress upon me the necessity of a conference between all the various governments and health organizations concerned with a view to arriving at the conclusion that will give the best results.

Right Hon. R. B. BENNETT (Prime Minister): On the 3rd day of March, 1930, this house unanimously agreed to the following resolution:

> That, in the opinion of this house, the government should take into consideration the advisability of making grants to the provinces equal to one-third the cost of establishing, and to cover permanently such full time health units as may be organized.

The motion now before the house is:

> That, in the opinion of this house, the government should take into consideration the advisability of carrying into effect the decision of parliament made on the 3rd March, 1930, to make grants to the provinces equal to one-third of cost of establishing, and to cover permanently, such full time health units as may be organized.

In other words, the resolution is that the government should take into consideration the advisability of considering the advisability of taking the action in question. That is what it means. There is only one method by which that can be done, and that is by considering the matter with the provinces. To do that involves the discussion not only of the question of overlapping of effort, but the question of the extent to which effort should be made by the provinces and the Dominion and the character of the work which should be done by the health units, also the question of the financial burden that would be involved.

It is unquestioned that any effort that ensures the health of the people of this country adds to its national wealth. But it

is equally true that the direct measure of benefit in the first instance is largely through those branches of our activities that are covered by the ninety-second section of the British North America Act. I have not in any sense changed the opinion that I expressed formerly as to the desirability of making a very vigorous effort through the united endeavour of the Dominion and the provinces to ensure improved health conditions of the people of Canada, but I am certain that the mere adopting of a resolution in a new House of Commons, commendable though it is, will not accomplish that purpose any more than the passing of the resolution a year ago last March did accomplish it. But it does do this: It directs public attention to the desirability of action being taken to induce the people to think in terms of preventive medicine, realizing the soundness of the old saying that prevention is better than cure.

If I were to take the time this afternoon, I could point out that already very considerable sums of money provided by the Dominion are being expended through the provinces, for this purpose. The hon. member for East Calgary (Mr. Stanley) has referred to some of the work done in connection with the treatment of narcotic drug addicts. Hon. members will observe in the estimates that there are $100,000 being provided by the Dominion treasury for the benefit of social services rendered to health departments of the provinces. Contributions from the Dominion treasury bring up another matter mentioned by my hon. friend from Battle River (Mr. Spencer) concerning the desirability of maintaining some of the voluntary organizations which have done such excellent work in connection with the arousing of public interest concerning the health of the people. From the very nature of things, in the end these voluntary organizations would go out of existence. Their effort is to arouse public opinion to such an extent that action is taken, and when necessary action has been taken the necessity for further effort on their part ceases. That has been the experience in connection with two or three such movements in the Dominion in the last twenty-five years. Groups of high-minded public-spirited citizens have organized as a voluntary association and as such have promoted public measures. Such measures have been promoted through educational effort, by the use of posters, by lectures and various other means. Private subscriptions have been made and in many instances these have been supplemented by grants from provinces and from the Dominion exchequer.

The result has been that when public opinion has been aroused it has expressed itself in the manner by which the will of democracy is made known, namely by the enactment of legislation giving effect to the aims and purposes of the voluntary associations to which I have referred.

I need hardly say that is the British way by which reforms are accomplished. Those who will take the trouble to think back for a moment will realize that almost all great reforms, whether it be the load line on ships which we owe to the efforts of Samuel Plimsoll, the social reforms secured by Howard and Lord Shaftsbury, or the improvements of medical services and nursing in the army resulting from the efforts of Florence Nightingale, have come about through the voluntary effort and sometimes through months and years of toil on the part of those who have set up and maintained voluntary organizations for the purpose of creating a public opinion which would place upon the statute books of the country the desired measures.

Measures to improve public health are based in the first place upon a selfish desire on the part of the state. It realizes that ultimately disease means loss, loss of earning power, loss from inability to create new wealth, loss through maintenance during periods of illness, loss to families sometimes resulting in poverty itself. To no inconsiderable extent the state has been governed by selfish considerations. Such considerations may not be the most desirable in the world, yet they are those which in the end perhaps have weighed as highly as any other upon the minds of legislators themselves. Then there is the individual to be considered. There is the thought in every man that he should make some contribution to the welfare of the community in which he lives, and the taxes which he pays, and which after all constitute the revenue of the country, should be made useful and effective for the purpose of promoting health and happiness in those who have not been so fortunate. Sometimes the thought is prompted by an experience in connection with disease or illness. A person may thus have an earnest desire by preventive measures to make it impossible for others to become ill, and to ensure the freedom of others from the disease or illness from which he has suffered.

Let us consider the use of vaccines. Let us consider the problem of rendering the people of this country immune from disease. There are vaccines for many ills, antitoxins for typhoid and diphtheria, and in an indirect way the Dominion is constantly making con-

tributions to health work. Health units go deeper than that; they go farther than that. They aim to create, if possible, a healthy community by commencing even in the prenatal days of the child, to ensure conditions which will bring about health in the citizen. From a time prior to the birth of the child and until he or she has attained manhood or womanhood and after, the health unit is in constant service. Consideration is thus given to the responsibility of the state for the health and happiness of the individual. Steps are taken first to prevent the recurrence of disease and ensure protection from centres of infection such as the teeth and tonsils. Children's diseases such as scarlet fever and measles are given consideration. Then when those children reach the teen age they are surrounded with conditions which will ensure their strength of body and mind to meet the problems of the life which lie before them. We are doing work along that line all the time. The Dominion is indirectly making its contribution to these health units. I believe it is possible to attain the operation of health units in every part of the country and in every part of this Dominion only through the joint action of federal and provincial authorities.

It is quite clear that in the realm of taxation, for instance, there must be a clearer understanding than heretofore there has been. It is not possible for the Dominion to raise money by any mode or process of taxation merely for the purpose of passing it on to the provinces, if before it is raised it is felt that such money is raised for provincial purposes. If however for national ends the Dominion regards it as necessary that contributions should be made to further the efforts of the provinces carrying on their work within their more restricted areas, I think very little difficulty will be experienced. That of course involves very close study and consideration of the problem by provincial and Dominion authorities.

I need hardly say that, since August 7, this administration has not had the opportunity, owing to the conditions which prevail in this country, to call the conference it will call to deal not only with problems of taxation but also with problems concerning which there may be duplication of effort by the Dominion and the provinces. There is a federal health department. Most of the provinces have provincial health departments. It is quite clear that unless there is a clear defining of the respective services to be carried on by these departments there will be duplication of effort and loss caused through such duplication. Early in his term of office I think it was contemplated by the Minister of National Health that he might be able to call a conference, but matters of more supreme importance in connection with the other branch of his department prevented such a conference. A conference was called which lasted but a day to deal with a constitutional matter. Knowing that to deal with problems connected with taxation and activities over which both the Dominion and the provinces have jurisdiction, such as agriculture, health and matters of that kind, a conference will take several days, probably weeks; that some of those matters would involve an amendment to the constitution and others an agreement merely to define the work to be undertaken, we can agree only that this motion may pass as the motion last year passed. However I direct attention to the terms in which the motion is drawn, lest it should be said that the decision taken last year was a decision that meant more than the terms signify, and that the result of passing the resolution would be that this government is instructed by the house—as was the government that was in office before this administration—to take into consideration other than the advisability of carrying into effect the decision of parliament last year, which charged the then government to take into consideration the advisability of considering the establishment of full time health units, to the cost of which one-third was to be contributed by the federal authorities and two-thirds by the provincial authorities. Without in any sense committing the government as to the extent to which contribution may be made, or as to the terms under which assistance may be rendered, or as to when it may be possible to have the matter dealt with, because I can hold out no hopes that it can be dealt with this week or next week, this month or next month—without, I say, in any sense committing the administration to any of these details, we are quite content that the resolution should be unanimously adopted by the house; for the opinions that were expressed unanimously last session, are, I take it, still the unanimous opinions of the house.

Mr. SPENCER: I rise, Mr. Speaker, to express my very hearty appreciation of the most excellent support that has been given to the resolution by members from all parts

of the house. I wish to congratulate the Minister of Health (Mr. MacLaren) upon not doing what his predecessor did a year ago—take shelter behind the British North America Act. Instead, the hon. minister came out flatly with the declaration that this was a sane, practical method of dealing with public health. I wish, however, to draw attention to one point, the calling of a conference. I am only too glad to think that a conference is going to be called. But when the Minister of Health was asked by someone on this side whether it would be called this year, he intimated at once that possibly it would not be. I would have been much better satisfied had the Minister of Health or the Prime Minister been able to give us some definite idea when the conference will be called. We all know how easily these things are put off. If we could only have some promise that the conference will be called at the earliest opportunity, it would be something to look forward to. The Prime Minister mentioned that certain contributions are already being made by the federal government to the provinces in aid of health work. I would point out that so far as I am aware there is no new contribution being made this year beyond what was being made a year ago. I want, however, sincerely to thank the Prime Minister for the support which he has given to the resolution.

As to the wording of the resolution, under the rules of the house I had no other way of presenting it. I gladly accept the suggestion of the Prime Minister that the matter be left to a further conference, and I hope that that conference will be called at the earliest possible date.

Motion agreed to.

AGRICULTURAL CREDITS

PROPOSAL TO ENABLE THE FARMER TO SECURE LOANS ON FAVOURABLE TERMS

Mr. W. T. LUCAS (Camrose) moved:

That, in the opinion of this house, consideration should be given to the setting up of a system of intermediate credits for agriculture.

He said: Mr. Speaker, the statement is heard repeatedly to-day that if Canada could find a satisfactory market for her wheat, we would speedily recover from the depression in which we are now involved. It is more readily recognized to-day than formerly that agriculture and industry are becoming more and more interdependent, and that one cannot continue to succeed at the expense of the other; both must march forward together. Up to the present time agriculture has not received proper consideration, in so far as credit facilities are concerned, but has managed to carry on because of homestead and cheap fertile land. That period is past Conditions have so changed that no longer can the farmer be described as the most independent man on earth. To-day he is part and parcel of the great world industrial machine, and while our prairie farmer may be situated in the centre of the North American continent thousands of miles from the sea, he is as vitally interested in the daily reports of world happenings and conditions as is the individual in any other walk of life.

The farmer is being told to-day that he must reduce the cost of his production. I realize that that is true, but I believe I am right when I say that the Canadian farmer is faced with greater handicaps in the matter of distance from markets and high interest rates than is the farmer in any other country. And yet I say without fear of contradiction that there is no country in which the per capita production is so great as in Canada, and it is my opinion that there is no one thing that would go further to assist the farmer to reduce his cost of production than lower interest rates. Dr. Tory, who gave a great deal of study to this question a few years ago, brought in a supplementary report in 1925 on Agricultural Credit, and I wish to quote a few excerpts along the line of the handicaps under which the farmer is labouring. On page 9 of that report Dr. Tory says:

> It ought to be clear to anybody that Canada is slowly passing through the stage in her agricultural development that the United States was passing through some years ago, viz., the best lands of the country have been taken up, wealth accumulating from the rise in land prices will, in a large measure cease, and land mortgages based on growing prices will be harder to carry.

Further on he says:

> In addition, he finds himself in competition in the markets of the world with countries where complete and ample financial organizations have been created for agricultural purposes. For example, in all the countries of western Europe capital is obtainable at a rate not exceeding 5 per cent and current money at similar rates. This has been brought about by special legislation in the interest of agriculture.

Again, he says:

> The distances from the markets of the world also place the western provinces and to a limited degree the eastern provinces also at a great disadvantage.

My object, Mr. Speaker, in moving this resolution, is not to get any special privilege for the farmer, nor to get what might be termed easy money, but rather for the pur-

pose of placing agriculture more on an equality with other industries in so far as securing legitimate credit is concerned. Europe recognized this question years ago and dealt with it. The United States recognized it almost twenty years ago, and the government sent a very able commission to Europe to study the various systems of agricultural credit, and later they introduced a very comprehensive plan to deal with the matter. With the permission of the house I should like to quote from a speech made by Harvie Jordan, a member of the commission.

> The governments of every European country which our commission visited took the broad position that the strongest foundation upon which any great nation could be built was one which was supported by a progressive, happy, and contented agricultural population.
>
> From this standpoint the governments of the best agricultural countries of Europe have for the past half century given every possible co-operation and assistance to the development of their agricultural industry.
>
> It is a singular fact in this connection, that while foreign farmers secure their borrowed capital at 4 per cent per annum, the average rate of interest on commercial loans for the same countries is from 5 to 6 per cent.
>
> This condition of affairs is just the reverse in the United States. Our merchants, manufacturers, and railway corporations secure loans at from 5 to 6 per cent, while the average rate of interest charged our farmers is from 9 to 10 per cent. Not only this, the government of the United States has for the past 50 years bent its best efforts, energies, and powerful influences, through the enactment of federal legislation, to foster and protect the great industrial businesses of the nation, leaving American agriculture to carve its way along as best it could.
>
> In the establishment of the national banking system of this country farm lands were outlawed by federal enactment as a class of security upon which loans should not be negotiated. Yet it must be admitted that the safest and highest class of gilt edge securities in the nation to-day are its improved farm lands, upon which the government, the people, and all other industries of the nation must depend for support and progress.

That statement applies equally to Canada to-day. It is not my purpose at this time to criticize our banking system. I believe it has been excellent for the needs it was designed to meet, but in its present form it does not and cannot adequately serve the present day needs of agriculture. It is my opinion that the average business man does not fully realize the change that has taken place in agricultural conditions during the past thirty or forty years, and the urgent need for credit to-day as compared with former times. I believe a better understanding of this question by the urban dweller would work to the benefit of all concerned.

[Mr. Lucas.]

Just here I should like to quote from one of the other commissioners, Mr. Gordon Jones:

> Let us keep in mind, in our discussion of this subject, the relative importance of the city and the country. Destroy the city and the country surrounding it would soon rebuild that city, but destroy the country surrounding a city and the city could not rebuild the country, but of itself could not long survive. The more prosperous the country, the greater and more prosperous the city, and as the city becomes greater and more prosperous it is stronger position to render financial assistance to the country. As the city increases its manufacturing output and enlarges its industrial activities, its population of consumers increases and a greater market is thereby made for the products of the country. There is indeed an interlocking of interest and a consequent need of "cooperation" between the city and country, and the best results can only be obtained by a spirit of harmony and proper understanding.

I wish I could impress forcibly upon every member of this house the importance of that statement. Let me say to our manufacturers and our business and professional men, if you want to help yourselves, the quickest and surest way to do it is through the farmer. It is a well known fact that when agriculture is prosperous so likewise are other industries.

With regard to the changed conditions of agriculture, no greater proof can be offered than to recall to those hon. members who, through the courtesy of the International Harvester Company, witnessed a short time ago a moving picture entitled Romance of the Reaper, an illustration of the development of the machinery of production from 1831 down to the present time. But, Mr. Speaker, while labour-saving machinery has solved the problem of production and removed from farming a great deal of the drudgery and hard work, it has brought in its train other problems equally important and, I believe, more far-reaching in their consequences which must be faced to-day. I refer to the problems of finance and distribution. While the introduction of machinery has increased production and taken much of the drudgery out of farming, the present method of financing, with high interest rates, has more than offset this benefit. I believe that to-day the farmer is more of a slave than he was in former times. but in a different way; for it is a trite saying that work never killed a man but worry did. When I think of the state of mind of the vast majority of farmers in western Canada to-day because of the staggering burden of interest they are carrying, with very little hope of ever getting out from under, I cannot help but admire the courage and fortitude with which they are carrying on.

I feel confident, Mr. Speaker, that if the same energy, the same intelligence and determination were applied to the solution of the credit problem as have been applied to scientific and technical questions, equal success would result. Sir Josiah Stamp, who is recognized as one of the outstanding British economists, is reported to have made the statement that science and invention might well take a holiday for twenty years, and he proposed that business men and financiers should give more time to the study of elementary economics.

The problems and difficulties with which we are faced at the present time are man-made problems. They are not caused by lack of raw materials or by our inability to convert those raw materials into usable form; rather the reverse is the case. I am convinced that since man has created this problem man can solve it, if only he will set himself seriously to the task. As I said before, Europe has dealt with the question of agricultural credit, and in Germany and France we have perhaps the two outstanding rural credit systems, by which money can be obtained at very low rates of interest.

Mr. BOURASSA: And Italy.

Mr. LUCAS: Yes, Italy as well. In 1894 France passed the first fundamental law creating machinery for the provision of agricultural credit. Two years later, when the charter privilege of the Bank of France expired, it was renewed by the government only on condition that the bank should advance to the government forty million francs, free of interest, to be used in the subsidization of the rural credit banks. There was a further condition that the bank was to pay yearly a sum calculated at one-eighth of its circulation, but not to be less than two million francs, to be used for the same purpose. In reality this has amounted to between five and six million francs yearly, and this amount has been made available for agricultural credit. Loans are made to agricultural cooperative societies, with interest as low as 2 per cent. Let me pause here, Mr. Speaker, to say it might be well to insert a clause of this nature when we revise our Bank Act in 1933.

Just here I should like to read another short excerpt from the report of the United States commission:

> Our rural population is justly entitled to receive credit direct from reserve banks in the same degree that urban population enjoys this advantage; and the method of bank organization should be such that residents of country districts can successfully overcome the disadvantages of their environment.

The general advice given the farmer today is to go in for mixed farming. I have tried to point out that credit is just as essential in agriculture as in any other industry. Our present banking system serves admirably the needs of industry and commerce, but it does not serve the present day needs of agriculture, though it is true that our banks do provide a certain amount of short term credit. It is also true that in 1926, after repeated urgings from this corner of the house, parliament passed the Farm Loan Act for the purpose of providing long term credit for farmers. There is however a gap between these two systems which might be termed intermediate credit, and with this my resolution proposes to deal. I refer to a system of credit for periods of from six months to three years.

Everyone who understands the needs of agriculture knows that a bank loan for from three to six months is of very little use to the man engaged in live stock production. It takes from one to two years, and sometimes even longer, properly to mature cattle, and under present conditions the farmer often finds that he is forced to throw his stock on the market at a time when it is not fully matured and often when prices are depressed. The very fact that Mr. Beatty, along with other financial interests, has seen fit to promote the Dominion Agricultural Credit Corporation Limited to supply the very form of credit I am suggesting, if I understand it correctly, is an added proof that there is such a need. I am confident, however, that the capitalisation of that corporation, which is $5,000,000, will prove totally inadequate to meet the needs, and I would suggest to the government that if they cannot see their way clear to set up an intermediate credit system of their own in competition with the private corporation, at least they cooperate with the Beatty plan by subscribing dollar for dollar. This will not only give financial support but will add to the importance of the organization and assure its permanence as an integral part of our financial structure rather than as an emergency measure. I think it will be admitted that this new corporation, backed by business interests such as these, would be carefully supervised and managed along strictly business lines, and with these precautions the government should be prepared to take a risk equal to that taken by private capital for the benefit of agriculture.

A few days ago, the right hon. the Prime Minister, speaking on the question of a central bank, quoted President Hoover as saying:

> It is not possible for the debtor to borrow himself out of debt.

While that statement taken by itself may be true, under our system where the large percentage of business is run on credit, it is or should be possible to borrow money at a reasonable rate of interest and by using that money in legitimate business, along with energy and skill, make sufficient profit to repay the loan and at the same time reduce the original indebtedness. That is the theory upon which business is conducted to-day and it was with that end in view that I introduced this resolution in the hope that a better system of credit might be evolved which would place agriculture in the same position as that which other industries now occupy in this respect. The question of intermediate credits was introduced in a very able manner last year by the hon. member for Red Deer (Mr. Speakman) and after debate was referred to the banking and commerce committee for further consideration. Unfortunately parliament dissolved soon afterwards and the matter was not dealt with. I trust this question may at least be referred to this committee for consideration, for it is my opininn that if agriculture is to survive it will require wholehearted cooperation of every interest in the country in the matter of working out a better and cheaper form of credit.

It is not my intention to debate this question further, but I hope the house will give to it the consideration which it merits.

Right Hon. R. B. BENNETT (Prime Minister): If the hon. member will have his resolution amended so that it may be referred to the committee on banking and commerce I think it would serve a very useful purpose and discussion could take place in the light of knowledge which we have as to the proposed operations of the credit organization to which I referred the other day. The experience in the United States in connection with a similar organization was that practically only ten per cent of the amount subscribed was used. It may well be that in the light of the information which will be forthcoming, the government will be enabled to assist in the work in a more practical manner than has heretofore been the case. In view of these observations, I trust the hon. gentleman will see his way clear to have the appropriate motion made and that the matter be referred to the committee on banking and commerce.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I am sure hon. members were pleased with the remarks of the Prime Minister (Mr. Bennett) and the spirit in which he has received this resolution. After a very few remarks, I will move the amendment which he suggests.

[Mr. Lucas.]

While I am on my feet, I should like to say that this matter of credit for agriculture is one which should be settled as soon as possible. I intend to discuss this question from the viewpoint of a westerner because I am most familiar with the western situation. Western Canada has been settled by a body of men many of whom never borrowed any money in their lives until they went to that district. They were not familiar with any credit system under which they could borrow, but they have been educated by the agents of the mortgage companies and of the banks to do their business on credit. The moment they secured a recommendation for a patent for their homestead they were solicited by the agents, particularly of the mortgage corporations, to borrow money in order to improve their farms. From that time on they have done a large percentage of their business on credit. Perhaps there is nothing strange in that, because ninety per cent of the business in this country is carried on on a credit basis, but no attempt has been made to evolve a system of credit suitable to agriculture, particularly in western Canada, although I think the same remark would apply to the east.

Bankers have appeared before the committee on banking and commerce and have told us that the Bank Act contemplates that the business which they do should be only the financing of industry by the granting of short term loans, and I believe that that is the intention of the act. The mortgage companies do not pretend to finance farmers except for long terms, and it has been generally admitted that there always is what the bankers term a barren area of credit. It is true that in many cases the bankers in western Canada have financed the farmer, and I agree with a recent statement by one of the past presidents of the Canadian Bankers' Association that the banks have loaned too much money to farmers in the west. That statement may be true, but the responsibility rests largely upon the banks themselves. I must be fair and state that this would apply only to certain banks; I have no desire to indict the bankers as a whole. The farmers could not have obtained these large loans unless the banks had been willing to grant them.

What the farmer needs is a system of credit which will be fairly constant, one which will not advance him more credit than he needs at certain times and withhold it at other times when he is badly in need of it. That is the trouble with the present credit system

in western Canada; it makes credit much too easy to get at certain times. On many occasions farmers have been urged by local bank managers to borrow money for purposes for which they should never have borrowed it, and as a result many farmers have suffered. I have personal knowledge of men being persuaded to go into the ranching business. The local managers assured them that the banks would advance them sufficient money for the purpose, and what happened? The banks had to take security on everything they had, and before many years had passed the value of live stock dropped to such an extent that these men had to be sold out. That is not a proper banking policy; the Bank Act never contemplated that the banks of this country should go into that kind of business.

I think it is time we had in Canada a proper system of credit for agriculture. I do not like to come to parliament and criticize the action of the banks in any particular part of Canada, but the criticism which we have already heard this session proves the need of a system better suited to the requirements of the agricultural industry. I do not desire to take up the time of the house in a discussion of why the banks in western Canada have lost so much money—a point stressed by the bankers' association—but I do want to say that if they have lost money in western Canada it was their own fault. They have taken huge sums out of western Canada in the form of interest, and if they have lost money it is because of the poor policy they have followed in making their loans.

I want to quote very briefly from the report of the committee on banking and commerce of last year with reference to the matter of agricultural credits, which was referred to them. They say:

> Two sessions of the committee were held, during which this reference was under discussion.
>
> As directed in the order of reference, the committee conducted a study of intermediate credits for agriculture, but owing to pressure of other work they have not been able to give it the attention so important a subject deserves.
>
> Mr. C. S. Tompkins, the Inspector of Banks, was examined and requested to obtain sundry information.
>
> It is recognized by the committee that the basic industry of agriculture is handicapped for want of such credit facilities as are called for by the resolution.
>
> It is true that short term loans are taken care of by the banking system, and those covering long terms more or less by the Long Term Loan Act, and mortgage companies; but that, with the slow turnover of the farmers' business, the third type of credits as mentioned above is essential to his success.
>
> Your committee, therefore, recommend that the subject is of sufficient importance that the matter be given attention by the Department of Finance, and if possible, bring it to the attention of a future parliament.

In the last paragraph of this report it is stated that the matter was to be brought to the attention of the Department of Finance. Officials of that department were asked to obtain certain information in regard to it, so that they should now have information which would be available to the committee in considering the matter. Therefore, without taking up any further time of the house, I would move:

> That the motion be amended by adding the following words:
>
> "and to that end that this question be referred to the select standing committee on banking and commerce, with instructions to consider and report thereon."

Mr. ALFRED SPEAKMAN (Red Deer): The house will be as happy as I that the general acceptance of the motion as amended renders it unnecessary for me to say what I had intended to say. There are, however, three or four points which I wish to lay before the house in reference to the scope of this inquiry

By the proposed reference the committee on banking and commerce will be afforded an opportunity of carrying on an inquiry very essential at the present time, having to do with the credit system of this country as it applies to agriculture. The committee will have an opportunity not only of considering the motion itself, but of acquiring a better understanding of the proposed operation of what is popularly referred to as the Beatty plan, of which very little is at present known but concerning which vague surmises are floating throughout the country. It would be of benefit to the originators of the plan, to Canada and to agriculture, if that system were properly understood. But still more important, the committee will be given an opportunity of inquiring into another very important aspect of the matter, namely the present relationship between the banks and agriculture in Canada. It is not good for the banks, for agriculture or for the country generally that such a dispute as has now arisen should continue. Many statements and accusations have been made, and it is apparent that a complete misunderstanding and misapprehension prevails throughout Canada, particularly amongst those engaged in agriculture, as to the functions of our banking system as related to agriculture.

I hope that the motion will be understood in its broadest terms and that the scope of

the inquiry will be fairly wide. It is desirable that this misunderstanding be thoroughly cleared up so that we may be able to ascertain definitely and without peradventure whether the banks have been functioning as they should, whether the demands made by agriculture have been reasonable or unreasonable, and whether the statement made by the heads of the banks that credit has been given in the usual way and on the usual security is correct or not.

The committee will have an opportunity of perhaps recreating our credit system as it relates to that important branch of industry, agriculture, of obtaining a better and more complete understanding of the situation as it exists, of setting at rest much ill feeling, much misunderstanding, and of bringing about a greater degree of friendly cooperation between these two essential units in our whole social organization, finance and agriculture.

Motion as amended agreed to.

TECHNICAL EDUCATION

PROPOSED CONTINUANCE OF FEDERAL GRANT FOR ANOTHER TEN YEARS

Mr. MICHAEL LUCHKOVICH (Vegreville) moved:

Whereas the discontinuance of the federal grant in aid of technical education has imposed a heavy liability upon the provinces, which they find it difficult to sustain;

And whereas the future industrial and commercial development of Canada depend in large measure upon the creation of a well trained personnel;

Therefore be it resolved—that, in the opinion of this house, the grant should be continued at least for another ten years.

He said: Mr. Speaker, the resolution which I now propose to the house has been on the order paper for the last four years. It is needless for me to say that it has always been defeated. Perhaps this year it will meet a different fate. I am not going to utilize the forty minutes allowed to me according to the rules of the House of Commons. I shall be very brief; indeed, I do not believe my remarks will last more than five or six minutes. My motivating reason for curtailing my remarks on this very important subject emanates from the very sympathetic speech that the Prime Minister (Mr. Bennett) made when the resolution was before the house last year as well as from the intimation in the speech from the throne that something would be done this year for technical education. Pending a statement from the Prime Minister as to the government policy with respect to technical education, I shall, as I have said, not utilize my whole time but shall be as brief as possible.

In presenting this resolution I am absolutely certain that I am reopening a question that is not only of extreme importance to a very large proportion of the population of Canada but is also very closely connected with the welfare and prosperity of this Dominion, namely, federal government grants to technical education to aid industrial development.

You will notice, Mr. Speaker, that the latter part of the resolution calls for a continuance of the technical education grant for a further period of ten years, implying that such a grant has been in effect during some previous period. How was technical education legislation first placed on the statute books of Canada, and what were the events leading up to that legislation? Hon. members are no doubt aware that technical education always has been and always will be a vital question in a country with such great potentialities in trade and commerce as Canada. For almost half a century this question has agitated the minds not only of those who direct our industries but also of those who are engaged in them. It has, in a word, been a most vital subject in those quarters where the need for skilled workmanship was found to be essential. Indeed, so rapid was the growth of public opinion in favour of more and better technical education that it soon became apparent that it was only a question of time when the matter would come up for discussion in the House of Commons. That anticipated discussion did come up some time in the year 1909, in which year a royal commission was appointed to investigate the whole subject of technical education. The commission consisted of seven members, who visited many parts of Europe and the United States and held over one hundred meetings in the Dominion of Canada alone. When you consider, Mr. Speaker, that over 1,400 witnesses were heard in Canada alone, and that the total expense bill of the commission was somewhere in the neighbourhood of $100,000, you will have some idea of the tremendous task which the commission had on its hands, a task that took about three years of investigation and study before the commission was finally in a position to submit its report to the House of Commons in 1913. In 1914 the great world war broke out and the matter was left in abeyance until after the armistice was signed. It was not long, however, before parliament took the question up with renewed vigour, which finally culminated in the act of 1919, now known as the Technical Education Act. That act provided for the expenditure of an aggregate sum of $10,000,000 over a period of

ten years, to be paid to the provinces according to a graduated scale, as follows: in 1920, $700,000; 1921, $800,000; 1922, $900,000; 1923, $1,000,000; 1924, $1,100,000; and a like sum for each of the five succeeding years, ending with the fiscal year 1929. The sum of $10,000 was to be paid in each year to the government of each province and the remainder of the appropriation was to be allotted and paid in proportion to the population of each province respectively as determined by the last federal decennial census.

The money has been paid, Mr. Speaker, but the act is no longer available. The federal technical educational grants have been relegated, at least by the government that preceded this one, to the junk pile of forgotten things. I conclude with the hope that the present government will not relegate this act, as it was relegated last year, to the junk pile of forgotten things, but that it will take action to aid in the development of technical education as was intimated in the speech from the throne.

Right Hon. R. B. BENNETT (Prime Minister): I trust that the hon. gentleman will withdraw his resolution. The government will take the appropriate action at the proper time in accordance with the statement made in the speech from the throne at the opening of this session. There really is no purpose served by placing on the order paper a resolution with respect to a matter that has already been anticipated in the speech from the throne. The budget will disclose the action that will be taken.

Mr. LUCHKOVICH: I should like to let the right hon. gentleman know that I had this resolution on the order paper before the speech from the throne was delivered.

Mr. BENNETT: That is right.

Mr. LUCHKOVICH: I beg leave, Mr. Speaker, to withdraw the motion.

Mr. BENNETT: Thank you very much.

Motion withdrawn.

EXPORT ACT

MOTION FOR REPEAL AND NEGOTIATION OF TREATY IN SUBSTITUTION THEREFOR

Mr. S. C. ROBINSON (West Essex) moved:

That, in the opinion of this house, the statute entitled An Act to amend the Export Act, being chapter 19, 20-21, George V, passed during the first session of 1930, should be repealed, and in substitution therefor a treaty should be negotiated for which Canada will get something in return for the loss of revenue this country is suffering in consequence of our good-will gesture, which apparently United States does not appreciate.

He said: When the bill to amend the Export Act was passed by parliament on March 25, 1930, strong objection was raised on the ground that Canada should get something by way of treaty in return for the loss of revenue, and also the loss of legitimate business in this country. In this connection I might quote from the remarks that were made by hon. gentlemen now sitting in this house. The right hon. the Prime Minister (Mr. Bennett), then leader of the opposition, at page 630 of Hansard of March 14, 1930, said:

We have failed to avail ourselves of one of the greatest offers that could be made by one nation to another, namely, to make reciprocal the operations of a treaty. They say, you give us this, we will give you the same. Moreover, sir, I might again point out that the proper method of international contract is by treaty or convention. As I pointed out a moment ago, this parliament cannot legislate for the United States of America. The United States Secretary of State said: Let us make a new convention amending the old convention.

The hon. the Secretary of State (Mr. Cahan) is reported at page 873 of Hansard of March 24, 1930, as follows:

It seems to me that if the mind of the Prime Minister radically changed in August last, as I understand it did, then there was ample time for him to negotiate an amendment to that treaty under which reciprocal duties and obligations would be imposed upon the governments of the two countries. It seems to me that such a treaty would have been far more consistent with the self-respect and dignity of this country than to place ourselves in the position, as seems to be the view of many of the leading newspapers of the United States, where we have been compelled to pass legislation because of the insistent demands of the United States that we should do so.

And again at page 875, I find the following:

Therefore I say that we should have either a reciprocal agreement in the form of a treaty or some form of reciprocal legislation, which would give to Canada the same protection from smugglers from the United States as the United States now ask us to give with respect to smugglers of Canadian products into the United States.

In Hansard of March 24, 1930, pages 875-6, the present Minister of Railways and Canals (Mr. Manion) is reported as follows:

I entirely agree with him (the member for St. Lawrence-St. George) who took exactly the same attitude, that in justice to Canada we might well have preceeded by way of reciprocal legislation, either a treaty or a convention, or concurrent legislation as suggested by the hon. member for St. Lawrence-St. George, because in that way we could have obtained for Canada some rights in return for what we are now giving up at the request of the United States.

And further at page 876:

"In other words the Post (Washington) asks what does Canada get for giving up this revenue and for the loss to private interest in this business, and for the extra expenditure which

will be put upon this country by this legislation? What is the quid pro quo? Do we get anything in return, or are we to draw the conclusion that this legislation, like the Prime Minister's tariff legislation, is a made-in-Washington policy, or a don't-provoke-Washington policy—not a Canadian measure, but a United States measure?

The right hon. the leader of the opposition, the then Prime Minister, is reported at page 909 of Hansard of March 24, 1930, as follows:

However, now that it has been decided that we shall continue our efforts to get a treaty that we hope will appeal to hon. gentlemen opposite as well as to ourselves, we shall make a further effort to see that the application of the treaty to merchandise generaly is taken full note of, and, that the treaty goes as far as it is possible to go to improve the conditions of dealing with the problem of goods being smuggled between the two countries.

I may say that about that time the then Prime Minister made an announcement to the house that already he had considered the question of making a treaty with the United States in connection of the cancellation of exports.

I wish to place on Hansard a quotation from the Toronto Mail and Empire. This is a report of an interview with Clarence Darrow, the famous criminal lawyer of Chicago:

Darrow Sees No Need For Export Ban
United States Rich "Enough to Take Care Of Its Own Laws," He Asserts
Is Visiting Toronto
England Should Not Pay War Debts To Republic, He Contends

Toronto, July 26.—Canada should not concern itself with preventing liquor from being exported to the United States, Clarence Darrow, famous criminal lawyer of the United States and anti-prohibitionist, stated in an interview here. "The United States is quite wealthy enough to take care of its own laws," he said.

"So Much Richer"

"Why should Canada spend its money when the United States is so much richer and can better afford the expense?" continued Mr. Darrow.

On the question of war debts, Mr. Darrow declared England should never have taken on herself the payment of war debts to the United States. "We were in the same war," he said, "and we should help to pay for it. If it is not the debt of the United States, we should never have been in the war."

"I am awfully sorry for England," Mr. Darrow said. "She has packed up the whole expense of the war. Her debt should be cancelled, for she has fought the world's battles.

I wish to make reference to the Wickersham report, which caused considerable comment throughout the United States and Canada. At page 25 of this report I find the following:

It would be a mistake to assume that the cutting off of clearances of liquor from Canada to the United States has achieved its helpful intention.

[Mr. Robinson.]

If this is the conclusion arrived at in the United States after two years of investigation by the National Commission on Law Observance and Enforcement why continue the ban on exports to the United States? What have we received in return for Canada's gesture of neighbourly good will? First there was the Hawley-Smoot tariff, which as hon. members know prevented nearly all our agricultural and dairy products from entering the United States. That tariff legislation affected my constituency very seriously. Thanks, however, to the efforts of the present government and the new dumping clauses, the farmers and market gardeners in my riding are happy and contended to know they have a home market and that the surplus products of the United States will not be dumped here in competition with our products.

Then there is the commuter problem, a very serious matter in my constituency and in other border points of the Dominion of Canada. On April 1, 1927 a joint agreement was negotiated by the Hon. Vincent Massey entitled General Order No. 86, which for the information of the house I should like to place on Hansard. I may say that very few Canadians seem to understand what the general order meant. During 1930 this order practically became null and void. Thousands of residents of the border cities had paid their head tax and the cost of their visés. These charges were for head tax $8; visé $10, birth certificate $2.50 and four photographs, $1, making a total of $21.50. That was practically confiscated from the Canadian commuter. In 1927 there were as many as 15,000 commuters living in the border cities and working in Detroit and district. I venture to say that to-day their number would not be more than 2,500. This marked reduction has seriously affected our community. But the United States authorities are still combing the country to deport Canadians who, they claim, illegally entered the United States some years ago. For the benefit of the house let me read this general order 86 of the United States Department of Labour:

United States Department of Labour
Bureau of Immigration
Washington
April 1, 1927.

General Order No. 86

Subject: Land border crossing procedure

1. Hereafter aliens residing in foreign contiguous countries and entering the United States to engage in existing employment or to seek employment in this country will not be considered as visiting the United States

temporarily as tourists, or temporarily for business or pleasure, under any provisions of the immigration law which exempt visitors from complying with certain requirements thereof; that is, they will be considered as aliens of the "immigrant" class.

2. However, the following aliens of the said "immigrant" class residing in foreign contiguous countries and who are now enjoying the border crossing privilege may continue so to enjoy it upon the payment of head tax, provided such head tax was assessible on aliens entering permanently at the time of original admission and, provided further, that they are not coming to seek employment.

A. Aliens whose original admission occurred prior to June 3, 1921.

B. Natives of non-quota countries whose original admission occurred prior to July 1, 1924.

C. Natives of quota countries whose original admission occurred subsequent to June 2, 1921, and, prior to May 11, 1922, who at the time of such admission had resided in the Dominion of Canada, Newfoundland, the Republic of Cuba, the Republic of Mexico, or countries of Central or South America, or adjacent islands, for a period of one year.

D. Natives of quota countries whose original admission occurred subsequent to May 10, 1922, and prior to July 1, 1924, who at the time of such admission had resided in the Dominion of Canada, Newfoundland, the Republic of Cuba, the Republic of Mexico, or countries of Central or South America, or adjacent islands, for a period of five years.

3. Aliens of all nationalities of the "immigrant" class whose original admission occurred subsequent to June 30, 1924, will be required to meet all provisions of the immigration laws applying to aliens of the "immigrant" class. Aliens of this class already enjoying the border crossing privilege, however, will be granted a reasonable time, not to exceed six months from June 1, 1927, within which to obtain immigration visas and otherwise comply with the laws.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ROBINSON: When the house rose at six o'clock I was reading general order No. 86 of the United States Department of Labour, in connection with the commuter situation. The remainder of the order is as follows:

4. Aliens who have already complied with the requirements of the immigration laws and this general order may be permitted to continue to enjoy the border crossing privilege.

5. Aliens who have complied with the requirements of this general order governing permanent admission will be considered as having entered for permanent residence.

6. The use and issuance of identification cards to all classes of aliens entitled to same will continue as heretofore.

7. Identification cards held by or issued to aliens of the "immigrant" class shall be rubber-stamped as follows:.. .. ..

8. Identification cards held by or issued to aliens of the "non-immigrant" class shall be rubber-stamped as follows: .. ..

9. To insure uniformity stamps furnished by the bureau, only, shall be used and blank spaces, including that for signature, shall be filled in by the use of indelible pencil.

10. All identification cards heretofore issued, held by aliens who can not, or do not, meet the requirements of law, regulations and this order, will be taken up and cancelled upon an incoming trip of the holder and appropriate action taken.

11. The work of validating outstanding cards should proceed slowly, systematically, steadily and persistently, and in such a manner as to avoid confusion, congestion, interference with proper routine administration and the giving of just grounds for complaint upon the part of the travelling public.

12. The status of holders of identification cards shall be enquired into periodically, preferably every six months from date stamped, where practicable, but in any event not less frequently than once a year. When enquiry has been so made, it will be evidenced by a notation to show date of such enquiry and initials of the officer upon the reverse of the card. When the holder of a "non-immigrant" identification card qualifies as an "immigrant," a new identification card shall be issued, stamped to show the correct status.

That order was perfectly satisfactory, and it remained in force until 1930, when it was treated as a scrap of paper. The cards were taken from the holders even if they had been out of a position only a month or so; other technicalities cropped up, until the number of commuters was cut down to the figures I gave this afternoon. During 1930 this order became practically null and void, and thousands of the residents of the border cities and other parts of Canada, who had paid their head tax and secured a visé, lost their papers and had no money returned, with the result that in many cases they lost their positions as well. To add insult to injury, many were deported for a year and a day, with the warning that if they returned to the United States they would be put in prison. Compare this treatment with that accorded residents of the United States working in Canada.

The third point upon which I wish to touch, in order to show that the United States shows no good will towards Canada following what was supposed to be a neighbourly act on our part, is this: We all remember the drastic action of the United States coastguards, who fired upon Canadian vessels, with resultant loss of life. One case was that of the I'm Alone, and the other case that of the Josephine K., when Captain William P. Cluett of Lunenburg was killed. I have in my hand a statement showing the estimated annual loss to national revenue and to the distillery and brewing industries which has

resulted from the amendment to the Customs Act passed last year, prohibiting the export of liquor and beer to the United States. I have also added a careful estimate of the business which has been lost to the trades manufacturing supplies, such as glass bottles, wooden and cardboard containers, labels, wrappers and so on, together with the loss to the farmers in regard to grain, the loss to labour and to the railways. These figures are from the Bureau of Statistics, and can be readily confirmed. They are as follows:

ESTIMATED ANNUAL LOSS TO NATIONAL REVENUE AND TO DISTILLING AND BREWING INDUSTRIES AS A RESULT OF AMENDMENT TO CUSTOMS ACT

EXPORTS OF LIQUORS AND BEER (DUTY PAID) FROM CANADA TO UNITED STATES FOR YEAR ENDED MARCH 31, 1930.

		Equivalent at average strength, 17 under proof to		Amount collected in Excise and Customs Taxes
Whisky, Gin and Other Spirits—				
(Canadian Produce)	1,076,189 imp. gals...	893,236 pf. gals.	Excise Duty, $9.00 per pf. gal.	$8,039,124
		Equivalent at average strength, 23 under proof, to		
Ale, Beer and Porter—				
(Foreign Produce)	163,414 imp. gals.	125,828 pf. gals.	Average Customs Duty, $9.65 per pf. gal.	1,214,240
(Canadian Produce)	1,449,122 "		Excise Duty, 12½c. per gal.	181,140
(Foreign Produce)	2,117 "		Customs Duty, 42c. per gal.	889
				$9,435,393

CESSATION OF THE ABOVE EXPORTS REPRESENTS THE FOLLOWING LOSSES TO THE CANADIAN DISTILLING BREWING AND OTHER INDUSTRIES.

Distilling Industry	1,076,189 gals.=538,094 cases at $30.00	$ 16,142,820
Brewing Industry	1,449,122 gals.=724,561 cases at 2.50	1,811,402
Glass Industry	1,262,655 doz. bottles at 75c	945,000
Boxes and Containers		205,000
Labels, Wrappers, etc		195,000
Grain		470,000
Railway Freight		250,000
Total		$ 20,018,222
Excise and Customs Duty		9,435,393
Total		$ 29,453,615

A despatch from Ottawa, dated January 20, 1931, reads as follows:

Officials of the Department of National Revenue, after a study of the excise returns, to-day estimated that Canada has already suffered a loss of revenue of over $15,000,000 as a result of the stoppage of the direct flow of Canadian liquor across the border.

I might remind the house that this is three-quarters of the amount voted for unemployment at the special session last September. The house may be interested in the fact that for several years following prohibition the United States exported to Canada quantities of liquors and fermented wines. The figures are as follows:

[Mr. Robinson.]

	Liquors (including whiskey, brandy, gin and rum) Proof Gals.	Fermented wines Impl. Gals.
1922..	65,737	10,545
1923..	28,045	7,168
1924..	10,582	1,793
1925..	3,623	756
1926..	2,633	280
1927..	2,168	1,864
1928..	2,011	190
1929..	1,729	33
1930..	(figures not available)	27

The above figures have been supplied also by the Dominion Bureau of Statistics. In 1928 the United States exported to the Bahamas 20,892 proof gallons of whiskey valued at £20,367, and in 1929, 3,679 proof

gallons of whiskey valued at £1,272. It would be well to bear in mind that these exports are made from a country supposed to be as dry as the Sahara desert.

In conclusion I cannot see any good reason why the amendment to the Customs Act of March, 1930, should not be repealed when the Wickersham commission stated that it would be a mistake to assume that the cutting off of the clearances of liquor from Canada to the United States has achieved the hopeful intention. Reports appear every day that the United States is still getting its liquor, but this government is not receiving any revenue therefrom at a time when our national treasury shows a heavy deficit.

Motion negatived.

ANIMAL CONTAGIOUS DISEASES

Mr. MARTIAL RHEAUME (St. Johns-Iberville) (Translation) moved:

That, in the opinion of this house, the compensation of $60 provided for each head of cattle, male or female, as stipulated in chapter 6, section 14, subsection 2 (a) of the revised statutes of Canada, 1927, be raised to $90 and that the compensation of $150 stipulated in section 2 (b) of the same section be raised to $180.

Mr. RHEAUME: Mr. Speaker, I trust that the house will not hesitate to give its approval to this resolution. In my opinion, farmers whose cattle have been subjected to the tuberculin test, in Quebec or throughout the country, for the last four or five years, did not receive an indemnity proportionate to the valuation of the cattle slaughtered. It was in 1927 that we inaugurated in the county of St. Johns-Iberville, which is situated south of the St. Lawrence, the tuberculin test. The highest price paid for cattle worth at least $100, was $38. I therefore think that the farmer was not sufficiently compensated for the losses he sustained, and that we should increase the indemnity from $60 to $90 as proposed, and from $150 to $180 for thoroughbreds. The remuneration for cattle that undergo the tuberculin test and are slaughtered, is only two-thirds of their valuation. The Minister of Agriculture (Mr. Weir) could verify this statement by looking over the statistics in his possession. Most of the cattle I think which were slaughtered, at least in my county and to my knowledge, have never been paid, on an average, more than $30. You will readily understand that it is difficult to apply a system for the tuberculin test. It has happened, in my own constituency, in the spring during April, May, June and July, after cows had been wintered and at least 8 or 9 dollars per month had been spent per head, that farmers were obliged to slaughter them and only received $28 or $30 per head, althought the cows were in a fit condition to give good returns. In the present instance, I do not think that the government proved themselves generous, the act should be amended within the shortest delay possible because, as everybody knows, agriculture has already suffered too much. It is but fair and reasonable that the act should be amended and applied without further delay. There are a number of members in the house who represent rural counties. I hope that they will share my views and support this resolution.

Hon. ARTHUR SAUVE (Postmaster General) (Translation): Mr. Speaker, I listened with special interest to the remarks made by the hon. member for St. Johns-Iberville (Mr Rhéaume). This question embodied in the resolution was often raised in the Quebec legislature where I had the privilege of sitting. In the course of the 1929 session, I introduced a motion which was entirely in keeping with the views expressed by the hon. member for St. Johns-Iberville. We then contended that the indemnity paid to farmers whose cattle had been slaughtered, as reactors was not sufficient, and the legislature unanimously adopted a resolution requesting the Quebec government to come to an understanding with the Dominion government in order to grant a more substantial indemnity to farmers. Unfortunately, I regret to state, that the Quebec government would not abide by the resolution adopted by the legislature and refused to make arrangements with the Dominion government in order to settle this question. I am amazed that the hon. member for St. Johns did not mention this fact to the house. This refusal justifies the Dominion government in not intervening as long as the Quebec government does not express its desire to cooperate with this government to settle this problem.

To-day, the question is more complicated than it was then, since the Quebec government at its last session had a half-measure enacted for the purpose of increasing, as it may see fit, the indemnity to be granted to farmers whose cattle are slaughtered. I think that this question should be better studied and more time given to its consideration. It is, at present, quite a complicated and difficult question and, as stated in the Quebec house, it is one that concerns not only one province but many others. Since the Quebec government has, this year, stepped in to pay part of the indemnity as agreed upon—at least, that was the pledge given by the prime minister of Quebec during the election which

I have reason to remember—that is to grant some part of that indemnity to farmers whose cattle were slaughtered, it is but fair to ask the hon. member for St. Johns-Iberville to postpone this matter so as to allow the Quebec government and other provincial governments to meet and agree upon equitable terms, and thereby satisfy the farmers as to the indemnity requested.

Mr. VINCENT DUPUIS (Laprairie-Napierville) (Translation): Mr. Speaker, I wish to second the resolution of the hon. member for St. Johns-Iberville (Mr. Rhéaume), and congratulate him for having had the courage of raising this question, although knowing that his chances of success were small, as we have just been made aware, the reason for this is that we sit on one side of the house where governmental favours are seldom distributed. The hon. Postmaster General (Mr. Sauvé) recalled that he had personally moved such a resolution when he was leader of the opposition at Quebec. No one among us will doubt the good intentions of the hon. Postmaster General. Personally, I have always admired his courage; I have always been one of those Liberals who willingly acknowledge the praise due to an opponent. However, in answer to the criticism directed against the hon. member for St. Johns-Iberville: that the Quebec government should have had a conference with the Dominion government so as to come to an agreement, I regret to have to tell the hon. Postmaster General that, perhaps, his old fighting spirit has vanished and turned to an incomprehensible tameness since he occupies an important post in the administration of this country. I expected that the hon. Postmaster General, after being sworn in as a member of the cabinet, and as soon as he made his appearance in the house—he was so honourable and good-natured, he had always championed the interests of the farming class, guided by Conservative principles, as he understood them—I expected, I say, that at the first opportunity, he would endeavour to convince his colleagues and get them to bring down a measure for the purpose of granting a more generous indemnity to the farmers and thus help this class of people which, in his own words, were so dear to him. I, therefore, cannot approve the stand taken by the hon. Postmaster General, that he is waiting for the Quebec government—which in no way can be called upon to take a hand under the circumstances, since the tuberculin test is a question which concerns the Dominion government—that he is waiting for the Quebec government to confer with Ottawa so as to come to an understanding.

[Mr. Sauve.]

Mr. SAUVE (Translation): Will the hon. member allow me?

Mr. DUPUIS (Translation): With pleasure.

Mr. SAUVE (Translation): I know that the hon. member for Laprairie is too fair-minded that I should ever suspect him of wanting to misinterpret my thoughts as to what I stated a moment ago and also as to the attitude I took when in Quebec. I rather think that it was through an oversight that he made such a statement with reference to the Quebec legislature. Personally, I am not waiting for the Quebec government to act.

Mr. BOUCHARD (Translation): Is that a question?

Mr. SAUVE (Translation): I wish to rectify a statement, and I have the permission of the hon. member for Laprairie-Napierville.

Mr. DUPUIS (Translation): With pleasure.

Mr. DENIS (Translation): No speech.

Mr. SAUVE (Translation): Since the hon. member for Laprairie allows me, I cannot see why the hon. member for St. Denis (Mr. Denis) objects. The legislature ordered the Quebec government to come to an understanding with the Dominion government on the question of indemnity increase, and I answered.

Mr. DENIS (Translation): Mr. Speaker, I rise to a point of order.

Mr. SPEAKER (Text): I would remind the Postmaster General that he has already spoken to the resolution.

Mr. SAUVE (Translation): That is the way, I am well aware.

Mr. DUPUIS (Translation): Mr. Speaker, I wish to show all deference possible to the Postmaster General, that is why I allowed him to make a second speech to rectify the first. I do not want to take advantage of an opponent.

I therefore shall proceed with my remarks. I was unable to make out what the hon. Postmaster General wished to rectify. If I am not mistaken, he stated that he was waiting for the Quebec government to communicate with the Dominion government.

Mr. SAUVE (Translation): I beg your pardon, I never said that.

Mr. DUPUIS (Translation): I accept the hon. Postmaster General's word.

Mr. SAUVE (Translation): May I rectify this matter?

Mr. DUPUIS (Translation): Certainly.

Mr. SAUVE (Translation): I stated that I was awaiting some move by the Quebec government. The legislature declared itself in March, 1929; it ordered—

Some hon. MEMBERS (Translation): Order, order.

Mr. SAUVE (Translation): The legislature ordered the Quebec government to come to an understanding with Ottawa in order to settle the question of indemnity. The legislative assembly did its duty, but the government did not.

Mr. DUPUIS (Translation): Mr. Speaker, the hon. Postmaster General, commenting upon the action taken by the legislative assembly, stated that it had adopted a half-measure. I wish to state, to the credit of the Quebec government—although not obliged but aware of the inaction of the Dominion government—that it took upon its shoulders the responsibility of helping the farmers in regard to this question of indemnity for cattle slaughtered as a result of the tuberculin test.

Mr. LAFLECHE (Translation): When?

Mr. DUPUIS (Translation): At the last session held in Quebec.

Mr. SAUVE (Translation): How?

Mr. DUPUIS (Translation): If my hon. friends on the right would only be patient, I would be very grateful to them. It would afford me the opportunity of making some comments this evening.

Mr. FAFARD (Translation): We shall have them undergo the tuberculin test.

Mr. DUPUIS (Translation): The Quebec legislature, at the last session, voted a measure by which it undertakes, to pay part of the indemnity when cattle are slaughtered, on condition—this is quite legitimate—that the farmer, in order to qualify for that part of the indemnity which is from the provincial government, must, as far as possible, purchase cattle of the same value as that slaughtered. This indemnity should come from the Dominion government. The latter did not think proper to grant it. However, I am quite certain that if the country had maintained the Liberal government in office, at the last election, there would have been no necessity for the Quebec government to adopt such a measure which the hon. Postmaster General unfairly branded a half-measure.

Mr. SAUVE (Translation): Why not at the last session?

Mr. DUPUIS (Translation): The hon. Postmaster General might ask the same question many times and he knows the answer without my telling him: that Paris was not built in one day. May I put the same question to my hon. friend? I recall that during the last election my hon. friend, who is now, Postmaster General, travelled through his county, like all Conservative candidates in Quebec, and probably throughout the country, condemning the Liberal government and criticising it for not being generous towards the farmers when compensating them for their slaughtered cattle. They carried on a bitter fight over this question, when tired of discussing butter, they took up the indemnity as regards the tuberculine test. They pledged themselves—indeed, that was our opponents tactics to increase the number of their pledges, forgetting that those whom they addressed were level-headed and keen-minded people for whom they should show some deference—they pledged themselves to settle that question if they assumed office. To-day, we find that, notwithstanding the pledges made, although they endeavoured to prove that if the farmers were suffering from depression it was due to the negligence of the Liberal government, notwithstanding these facts, the Conservative party once in power neglect to fulfil their pledges. The Conservative party promised that once in office, they would settle those questions—the most pressing problems are surely those that refer to farming, which is the foundation of the whole social fabric. They have now been in power for ten months; and when this evening a member representing the farming class, the hon. member for St. Johns-Iberville (Mr. Rheaume) rises in his seat to move a resolution, an hon. minister has the hardihood to rebuke the member for bringing up this question and asks him to withdraw his motion.

Mr. SAUVE (Translation): I beg your pardon.

Mr. DUPUIS (Translation): He calls on him not to press his motion, but to postpone all discussion until the Dominion and provincial governments confer in the hope that the questions might be put off indefinitely.

I said that the hon. member for St. Johns-Iberville was right in raising this question. In making such a statement, I am in no way influenced by partisanship, for like himself and many other members of the house, I have the privilege of representing the farming class. I am aware, as my hon. friends on your right, sir, are, that the farmers are suffering. We listened to interesting speeches in the house, on the sad plight of the western farmers. It is perhaps in order that representatives of the eastern farmers be heard from in regard to the financial state of the farming community in Quebec, Ontario and the maritime provinces. If they do not complain it is not because they do not feel the depression which prevails at present among all classes of society, but it is because they under-

stand what our opponents do not seem to realize, namely, that the Liberal government, which was at the helm of public affairs previous to the last election, is not responsible for conditions existing to-day. May I repeat what I told my constituents: that the present economic situation which is a cause of distress to so many Canadians cannot be traced back to the government of this country. I wish to state that the depression prevailing is not due to the Conservative government. It might be said, perhaps, that the present administration which made so many pledges is responsible for the aggravated situation. May I point out, sir, in this connection, the difference between the tactics of our opponents and ours during the last election, our appeals to the people were founded on facts, sound and wise judgment, while their appeals were simply based on sentiment, while fully realizing that the Liberals were not responsible for the economic crisis. They were fully aware that such was not the fact. To-day, when in office, how do they act? I plainly ask the hon. Postmaster General to admit that if it be impossible to entirely remedy the present economic depression, at least the resolution of the hon. member for St. Johns-Iberville aims at alleviating the present plight of farmers. I am quite aware that the hon. Postmaster General is somewhat annoyed at this resolution being introduced in the house, when deep in his heart he knows better than anyone that he should, himself, as a member of the Dominion cabinet, have discussed this matter with his colleagues and presented a bill bearing on this question. In acting thus, he would have given proof that he wished to fulfil the pledges he gave at the last election. May I suggest to the Postmaster General—

Mr. SAUVE (Translation): Mr. Speaker, may I address the house.

Some hon. MEMBERS (Translation): No, no.

Mr. SAUVE (Translation): May I inquire from the hon. member—

Mr. DUPUIS (Translation): I would like to have my full time and I would therefore ask the Postmaster General to allow me to finish my remarks.

Mr. SAUVE (Translation): I ask the hon. member to tell the truth.

Mr. SPEAKER (Text): Unless the hon. member speaking permits a question, another hon. member may not interrupt.

Mr. DUPUIS (Translation): The hon. member has no right to state that I did not tell the truth.

[Mr. Dupuis.]

Some hon. MEMBERS (Translation): Withdraw.

Mr. DUPUIS (Translation): I suggest to the hon. Postmaster General, in all fairness, that he should withdraw that expression.

Mr. SAUVE (Translation): I state that I told the truth when I requested the hon. member for Laprairie to tell the truth as to what concerns me. The hon. member for Laprairie has not the right to attribute to me what I have never said, he has not the right to state in the house that I do not carry out the pledges which I give.

Some hon. MEMBERS (Translation): Order, order!

Mr. DUPUIS (Translation): If those are the words which I used, I gladly withdraw them, because I have much respect for the hon. Postmaster General. What I did say, is that I feel certain that the hon. Postmaster General will insist on fulfilling his pledges. In closing my remarks, I would suggest to him that instead of blaming the hon. member for St. Johns-Iberville for having introduced this resolution, he should confer immediately with his colleagues and the right hon. Prime Minister (Mr. Bennett) so as to have legislation passed by the house in order to help the farming class, something similar to the resolution of the hon. member for St. Johns-Iberville.

Mr. F. H. PICKEL (Brome-Missisquoi) (Translation): I am very much interested in the indemnity paid to the farmers by the government for the loss of tuburculin tested cattle. As regards the first test that was made in my section of the province, we were adequately paid; the valuation was reasonable, but in the subsequent tests the valuation was in many cases too low. I am in perfect accord with the hon. member for St. Johns-Iberville (Mr. Rhéaume) in respect to the valuation of cattle at a maximum of $90 for cross breeds and $180 for thoroughbreds, but throughout the country there are many cross breeds that are not worth $90 and there are many thoroughbreds that are not worth $180, and I think the amount be left to the discretion of the veterinary who makes the test.

Mr. GOULET: It is left already.

Mr. PICKEL: This is a business proposition and no private individual going into a thing of this kind could make a uniform valuation on this kind of cattle.

The hon. member for St. Johns-Iberville and the hon. member for Sherbrooke (Mr. Howard) quoted me as saying that I was in favour of the farmers getting their extra one-third for the cattle they had lost. I have no

objection to the hon. members alleging what I said, but I take exception to their citing the Prime Minister (Mr. Bennett) as saying that I was circulating around the country the statement that he was in agreement with me. Such is not the case. I never spoke to the Prime Minister about the matter and he never signified his intention to me in that respect.

So far as the measure proposes an increase in the valuation of the cattle slaughtered, subject to the qualification I have made, I am in perfect accord with it and would support it.

Mr. ALFRED GOULET (Russell) (Translation): Mr. Speaker, as representative of one of the finest agricultural sections of Eastern Ontario, I will support the motion presented by the hon. member for St. Johns-Iberville (Mr. Rhéaume), because I believe it to be in the interest of the whole country. I have closely studied the question and I can state that the farmer is certainly not sufficiently compensated for the slaughter of his cattle. It is spring time when these cattle are first tested, a time when the milch cow produces the most, and yet when it is slaughtered the price paid is only that of beef-meat. Generally, at that time, the milch cow is not fit for market purpose, it is however fit to give good returns to the farmer. One must not forget that the government does not pay the two thirds of the $60 allotted for an ordinary cow. As the hon. member for St. Johns-Iberville stated, the farmer only receives $28, or $30 to $32 for each animal. Not only should this resolution be adopted, but the act should be retroactive, that is in the counties where the test has been carried out the farmers should be further compensated because in replacing the cattle slaughtered they were put to heavy expenses.

Mr. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, at the risk of shocking some hon. members to your right—seeing that I represent a Montreal constituency composed mostly of workingmen—I wish to state that agricultural questions, and the farmers' interests are dear to me because I was brought up on a farm, and I have never forgotten my early years. One reason for being so attached to the farm, is that my father was one of those who laboured unceasingly to improve the lot of the farming class in Quebec. The resolution which has just been submitted to the consideration of the house, and which was so ably presented by the hon. member for St. Johns-Iberville (Mr. Rhéaume) deserves not only the approval and support of the representatives of the farming class but also that of a representative of the working class. I therefore take pride in supporting this resolution, at this time when we are passing through a period of depression, and from which farmers are not exempt. In my opinion, the farming class deserves our deepest sympathy. For a number of years the tuberculin test has been applied in this country, and on numerous occasions, assisted by some representatives of the farming class, we requested the government to increase the indemnity granted to farmers. Two thirds of the value is not sufficient to compensate farmers for the loss of cows fit to give them better returns than if they were sold for market purposes. The government through its numerous pledges during the last election, undertook to help the farming class. The hon. member for Laval-Two Mountains (Mr. Sauvé) for one, travelled over his county stating: "If you do me the honour of electing me to represent you in parliament, my first duty will be to help the farming class." The hon. member gave us a summary of his admirable behaviour in the Quebec legislature. He could have dispensed himself with talking about his doings while in Quebec. The Quebec government realized its duty when it found out that the Dominion government was opposed to granting farmers a sufficient indemnity to cover the loss of their cattle. It strikes me that if the hon. Postmaster General had been in earnest during the last election, his first duty in the house would have been to present a bill purporting to increase the indemnity granted to farmers, especially at a time of economic depression. The farmers are much affected by this depression. The hon. Postmaster General is well aware that one of his friends was charged, in the Quebec house with bringing into the county of Laval-Two Mountains tuberculous cattle and selling them to the farmers of that county, thus spreading the disease. This was a more serious offence than one is apt to realize at first sight. In order to make some compensation for the offence committed by his friend, it seems to me that he should have been the first to rise in the house and move the resolution which the hon. member for St. Johns-Iberville (Mr. Rhéaume) had the courage to present for the purpose of assisting the farmers he represents here with so much dignity and honour. I therefore wish to state again that I am strongly in favour of this resolution. I trust that the government will realize the propriety of our comments and that, at this session, it will present a bill purporting to increase the indemnities granted for all cattle slaughtered owing to the tuberculin test.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I rise to a point of order. I invite your attention to the terms of the motion now under discussion. Resolution No. 23 on the order paper is as follows:

That, in the opinion of this house, the compensation of $60 provided for each head of cattle, male or female, as stipulated in chapter 6, section 14, subsection 2(a) of the revised statutes of Canada, 1927, be raised to $90 and that the compensation of $150 stipulated in section 2(b) of the same section be raised to $180.

My objection is that if the resolution passed in its present form an expenditure of public money would be required. I am aware that opinions may be expressed by motions, but not on a motion such as the present one. Paragraph 558 in Beauchesne's Parliamentary Rules and Forms is in part as follows:

Motions advocating public expenditure, or the imposition of a charge, if the motion be framed in sufficiently abstract or general terms, can be entertained, and agreed to by the house.

The present resolution if passed, however, would express a positive opinion of the house that the action outlined in the resolution should be taken, and that the expenditures therein mentioned should be made. I submit it is beyond the powers of any hon. member to place such a resolution before the house.

Mr. PAUL MERCIER (St. Henri): I should like to speak to the point of order raised by the minister. First I should like to know if the objection should not have come from the Minister of Agriculture (Mr. Weir), who has the right to introduce such a measure. In Beauchesne's Parliamentary Rules and Forms I find at page 63, paragraph 549, the following sentence:

The rule also applies to releasing or compounding any sum of money due to the crown and to the imposition of any state tax upon the people, but not to pecuniary penalties necessary to the operation of a bill.

If after a tuberculin test of an animal it is found necessary to slaughter it, to a certain extent a penalty is exacted by the department. For that reason I submit that the present resolution does not involve the expenditure of money but rather the increase of a penalty which already exists in a law on the statute book. I submit the point of order is not well taken. If the resolution involved expenditure of money by the crown or any transaction of a monetary nature I would say the objection was well taken, and that a private member should not have brought the resolution before the house. But the present resolution, as I have stated, merely provides an increase in a penalty already imposed by a statute.

[Mr. Denis.]

Mr. C. G. POWER (Quebec South): During the past five or six years resolutions of a similar nature have been brought before the house, and I think on some occasions a similar objection was taken to that now raised by the minister. For instance, there was a resolution proposing the expenditure of about $10,000,000 on highways, another for the expenditure of a large sum of money for technical education, and another for the relief of unemployment. Those resolutions all came before the house on previous occasions and the same point of order was raised. Probably in the strictest sense of the word the point is well taken, but on the other hand I think hon. members will agree that the usage and custom of late years has been to permit debate on such resolutions. Paragraph 558 in the rules which have been quoted states:

Motions advocating public expenditure, or the imposition of a charge, if the motion be framed in sufficiently abstract or general terms, can be entertained and agreed to by the house.

The resolution with which we are now dealing begins with the words: "That in the opinion of this house." The construction is of a general character; the house is not bound by the resolution. If passed it merely expresses an opinion.

Mr. GUTHRIE: I do not agree with that.

Mr. POWER: The house is not bound by the resolution. The minister knows of dozens of resolutions which have passed this house but have never received legislative sanction or been enacted into law. I recall one occasion when without a dissenting voice a resolution was passed in favour of proportional representation. Time and again such resolutions have been passed.

Mr. GUTHRIE: That resolution did not involve the expenditure of money. My objection is based on the fact that the present resolution involves a money vote.

Mr. POWER: My point is that the resolution if passed represents merely an expression of opinion.

Mr. MERCIER (St. Henri): If a member of the government brings down a resolution for consideration in committee of the whole, such resolution may form the basis of a bill, which after first, second and third readings may receive the royal assent. In the present case, however, we are merely dealing with a resolution, and ask only for an opinion from hon. members. I understand quite well that if an expenditure were involved the resolution would have to be introduced for consideration in committee of the whole.

Mr. SPEAKER: When the question was raised by the Minister of Justice (Mr. Guthrie) I was looking into the rules myself. I was of opinion that if the present resolution was not a violation of the rules and practice of the house it was very close to it. Several members have quoted paragraph 558 of Beauchesne's Parliamentary Rules and Forms. This, a repetition of May's statement at page 518 of the thirteenth edition, is as follows:

> Motions advocating public expenditure, or the imposition of a charge, if the motion be framed in sufficiently abstract or general terms, can be entertained, and agreed to by the house. Resolutions of this nature are permissible because, having no operative effect, no grant is made or burden imposed by their adoption.

I think this resolution goes further than that. It is practically an order to the house. It sets out the amount of compensation paid now, and says that in the opinion of the house that compensation should be raised to particular and stipulated sums. If the motion were agreed to, I should think the government would be bound to act on it. If on the other hand the resolution had said that the government should consider doing so and so, it would be in terms broad enough to come within the usages of the house and the rules.

I must rule that the resolution as at present framed is not one that can be introduced by a private member, and is therefore out of order.

TREATY OF VERSAILLES

PROPOSAL TO GIVE EFFECT TO PRINCIPLE OF EIGHT HOUR DAY

Hon. PETER HEENAN (Kenora-Rainy River) moved:

> Whereas, the Dominion of Canada is a signatory to the articles of peace of the Treaties of Versailles, thereby subscribing to the principle of a maximum working day of eight hours;
>
> Therefore be it resolved that this house is of the opinion that the government of Canada should take appropriate steps to ensure, throughout Canada, the fulfilment of our treaty obligations and conventions arising out of the peace treaty, relating to hours of work.

He said: Mr. Speaker, it will be noticed that this resolution does not direct the government to take any specific steps but to take appropriate steps to ensure throughout Canada a maximum working day of eight hours. No doubt hon. members will recall the treaty of peace signed at Versailles on June 28, 1919. Part XIII, known as the labour section, lays down certain principles governing a maximum working day and a maximum working week. That treaty was signed on behalf of Canada by the then Prime Minister, Sir Robert Borden. Arising out of the treaty a conference was held in Washington in October, 1919, and again the government of Canada was represented. At the conference the principle of the eight hour day was accepted and recommended to the respective governments of the several countries that were there interested and represented. For the information of the house I will read that section one of the Treaty of Versailles embodying the principle of the eight hour day:

> Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;
>
> And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required: as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical education and other measures;
>
> Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries:
>
> The high contracting parties, moved by sentiments of justice and humanity, as well as by the desire to secure the permanent peace of the world, agree to the following:

Then follows chapter 1, dealing with the establishment of a permanent organization, which afterwards became known as the international labour organization. As I said, in October, 1919, arising out of that provision in the treaty of peace a conference was held at Washington. At that conference it was agreed that a majority of two-thirds of the delegates present should be necessary on the final vote for the adoption of the recommendations of the draft convention. It is evident that the matter was well thought out and discussed at length. The principal of the eight-hour day was adopted at Washington and the convention was referred to the different member countries for ratification. When the ratification of the convention was considered by the Canadian government there arose the question of conflicting federal and provincial jurisdiction. In some quarters it was contended that it was a Dominion matter inasmuch as the treaty had been signed by the Prime Minister of Canada. In other

quarters it was contended that it was a provincial matter under the British North America Act. So in 1925 the question of jurisdiction was submitted to the Supreme Court of Canada, which decided that the regulation of hours of labour came within the jurisdiction of the provincial authorities, but that of course the Dominion government had sole jurisdiction over its own employees. In 1930 the federal government implemented its part of the convention by legislation as far as it was possible for it to go. On the 27th of March, 1930, there was passed an order in council, which in brief, gives the eight-hour day to all Dominion employees. There was also passed an act respecting fair wages and the eight-hour day for labour employed on public works of the Dominion. This act was assented to on May 30, 1930. Representations have been made to the various provinces, from many quarters, that they should implement their part of the treaty.

Mr. WOODSWORTH: I do not want to interrupt my hon. friend, but would he state whether the legislation passed last year had the effect of giving the eight hour day to all employees of the Dominion government?

Mr. HEENAN: Yes.

Mr. WOODSWORTH: All Dominion government servants now are under the eight hour day legislation?

Mr. HEENAN: There are certain exceptions.

Mr. GEARY: There are certain postal employees who are not under that legislation.

Mr. HEENAN: I will read the order in council, if it is desired. The exact terms have gone from my memory.

Mr. WOODSWORTH: I should like that point cleared up, if possible.

Mr. HEENAN: This is order in council P.C. 670, approved by the Governor General on March 26, 1930. It reads as follows:

The committee of the privy council have had before them a report dated March 19, 1930, from the Minister of Labour, submitting as follows:

1. That it was recognized in the labour part of the Treaty of Versailles and the corresponding provisions of the other treaties of peace that the well being—physical, moral and intellectual—of the industrial wage-earners is of supreme international importance, and that although differences of climate, habits and customs, economic principles and industrial traditions make strict uniformity in the conditions of labour difficult of immediate attainment, there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

[Mr. Heenan.]

2. That approval was expressed in the peace treaties of the principle of the eight hour working day.

3. That a draft convention was adopted at the first session of the conference of the international labour organization (League of Nations) in 1919, to limit hours of work in industrial undertakings to eight hours per day.

4. That the draft convention above mentioned was referred in 1924 to the select standing committee on industrial and international relations of the House of Commons of Canada for examination and report.

5. That on the recommendation of the committee on industrial and international relations of the House of Commons, approved by the House of Commons, the draft convention of hours of work in industrial undertakings was referred by order in council to the Supreme Court of Canada, with a view to determining the jurisdiction of the federal and provincial authorities respectively, on this subject.

6. That the judgment of the Supreme Court of Canada contained the following declaration: "The subject matter is generally within the competence of the legislatures of the provinces, but the authority vested in these legislatures does not enable them to give the force of law to provisions such as those contained in the draft convention in relation to servants of the Dominion government, or to legislate for those parts of Canada which are not within the boundaries of a province."

That is to say, the legislatures could not legislate for territory under the jurisdiction of the Dominion government, or for Dominion public servants. I continue to read:

7. That a report from the Civil Service Commission, which was submitted to Your Excellency in Council under date of February 16, 1925, showed that the standard daily hours of work of monthly rate employees in the government departments are from 9 a.m. to 5 p.m., with an interval for luncheon, and a half holiday on Saturday, and that the standard hours of prevailing rate employees, numbering 1,576 in Ottawa and 18,264 outside Ottawa (of whom 12,247 were postmasters paid on percentage basis) are 44 hours per week, based on an eight hour day for five days and four hours, or a half holiday, on Saturday.

Certain exceptions to these standard hours of work were also noted in the report of the Civil Service Commission.

8. That request has been made to the government for the granting of the eight hour day to its own employees.

9. That it is desirable that the principle of the eight hour day should be applied to any branches of the public service of Canada in which it is not now observed.

Then comes the recommendation of the minister:

The minister accordingly recommends that, excepting in cases where the work of employees is intermittent in character, or the application of this rule is not deemed to be practicable or in the public interest, the hours of work of any employees of the Dominion government who are still required to work more than eight hours daily be reduced to eight hours daily, with a half holiday on Saturday.

The committee concur in the foregoing recommendation, and submit the same for approval.

So when that was approved by His Excellency in Council, every employee of the Dominion government was placed on the eight hour day with the exception of those in connection with whom the minister would say it was not deemed to be practical or in the public interest. In other words, the employees of the Dominion government automatically went on the eight hour day the moment that order in council was passed, and it was then up to the different departments to say what was not practical or what was not in the public interest.

Mr. STITT (Selkirk): Would the hon. member say when this order in council was passed?

Mr. HEENAN: March 27, 1930.

Mr. STITT (Selkirk): That was during the hon. member's administration as Minister of Labour?

Mr. HEENAN: Yes.

Mr. STITT (Selkirk): Could the hon. member tell me, then, why the eight hour day was not enforced in the various penitentiaries in Canada with regard to the guards, if that was the policy of the government?

Mr. HEENAN: I am not trying to lay the blame on this or any other government; I simply want to point out that this order in council was passed in March, 1930, putting every employee of the Dominion government on the eight hour day except where the minister would say it was not in the public interest. I take it for granted that either minister of justice, of that day and of this day, must have said that it was not in the public interest to have penitentiary guards on the eight hour day.

Mr. GUTHRIE: Was there not an act passed last session superseding this order in council?

Mr. HEENAN: No. I think I know what my hon. friend has in mind. The legislation having to do with fair wages and the eight hour day applied to public works and contracts. The order in council I have just read applied to Dominion government employees, while the act with respect to fair wages and the eight hour day for labour employed on public works of the Dominion of Canada, which is chapter 20-21, George V, assented to on May 30, 1930, provided:

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. This act may be cited as The Fair Wages and Eight Hour Day Act, 1930.

2. In this act, the expression "minister" means the Minister of Labour.

3. (1) Every contract made hereafter with the government of Canada for construction, remodelling, repair or demolition of any work shall be subject to the following conditions respecting wages and hours:—

(a) all persons in the employ of the contractor, sub-contractor, or of any other person doing or contracting to do the whole or any part of the work contemplated by the contract shall be paid such wages as are generally accepted as current from time to time for competent workmen in the district in which the work is being performed for the character or class of work in which they are respectively engaged; provided that wages shall in all cases be such as are fair and reasonable;

(b) The working hours of persons while so employed shall not exceed eight hours per day except in such special cases as the Governor in Council may otherwise provide, or except in cases of emergency, as may be approved by the minister.

(2) The provisions of this section shall not apply to persons employed in the fabrication or manufacture of materials, supplies or equipment for use in the work contemplated where such fabrication or manufacture is carried on in any established plant or factory other than a plant or factory established for the purposes of the work contemplated.

4. The wages and hours of all workmen employed by the government of Canada on such works as are described in section three, and who are excluded from the operation of the Civil Service Act, shall be those set forth in paragraphs (a) and (b) of section three.

5. (1) The Governor in Council, on the recommendation of the minister, may make regulations with regard to wages and hours herein provided for and without limiting the generality of the foregoing may provide by regulation for,—

(a) the method of determining what are current or fair and reasonable wages and the preparation and use of schedules of rates relating thereto;

(b) rates of wages for overtime;

(c) classifications of employment or work;

(d) the publication and posting of wage schedules;

(e) payment of wages to employees in case of default by the contractor or other party charged with such payment and recovery thereof from such contractor or other party;

(f) the keeping of proper books and records and the examination of the same by government officers;

(g) persons who may be employed on works referred to in this act;

(h) the subletting of contracts;

(i) the penalties to be imposed for breaches of the provisions of this act or regulations made hereunder;

(j) generally for the due enforcement of the provisions of the act and regulations.

(2) All regulations made under this act shall fifteen days after the date of the first publication thereof in the Canada Gazette have the same force and effect as if they had been included herein.

It will be seen that the Dominion government has gone about as far as it is possible to go in a legislative way; the problem is how to get the provinces to carry out their obligations under the treaty. I do not believe

that Canada because of its peculiar constitution desires to evade its treaty obligations. There is only one province which has put into effect the eight-hour day—the province of British Columbia, where my good friend (Mr. Mackenzie) comes from. When I was a member of the Ontario legislature in 1924 I moved a resolution and secured its passage, after it had been amended on motion of the premier of the day, to provide for an eight-hour day in all private and public undertakings. The motion passed the legislature but up to the present time has not been implemented in a general way. That is the result in the province of Ontario which is not considered to be at all backward.

This treaty was signed in 1919 and we have now reached 1931 without any action being taken. It is time the Dominion government as a signatory on behalf of the whole of Canada should take the necessary steps to see that our treaty obligations are carried out. While this resolution which I have the honour to move this evening does not suggest what steps the government should take, hon. members will realize that there are many ways by which the desired result can be obtained. One is by the calling of a conference between the Dominion and the provinces and pointing out that inasmuch as Canada has certain treaty obligations they as provinces should implement them so far as their jurisdiction will permit. If by chance any province or provinces still desire to remain in a backward state and thus take advantage of other provinces which are more progressive, then I think it is the duty of the Dominion government to ask for an amendment to the British North America Act to enable it to carry out its treaty obligations in that regard. I hope that that step will not be necessary, and that the provinces will be unanimous in their desire to carry out these obligations.

Because of the position which he took when leader of the opposition, and again at the last session, perhaps the Prime Minister (Mr. Bennett), by attaching conditions to proposed tariff amendments, will take steps to implement these obligations. My motion leaves the matter wide open. I am not criticizing anyone because it may be felt that the action proposed by this resolution might have been taken long ago; but I do suggest that now is the time for the government to take appropriate steps to see to the fulfilment of our treaty obligations respecting hours of work.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, while I have every sympathy with the hon. member who has introduced the resolution (Mr. Heenan), I must say that it would have come with better grace had he taken action a year or two ago when he was Minister of Labour in a government which had the power to do the very thing he now proposes. However, it is well that he is at last converted to the necessity of fulfilling our obligations under the treaty. In fact I believe he has been converted to the necessity all along; it was a question of the government of which he was a member accepting his advice in this regard. Now that a new government is in office, I hope they will not dilly-dally until they are again in opposition before seeing the necessity of action.

We meet again with our old friend the British North America Act. I do not intend to traverse the ground covered the other day in the discussion which took place as to the necessity of Canada's having the power to amend her own constitution, but it would seem to me as a layman—I cannot say how it may seem to some of the legal minds in the house—that if Canada had the authority to sign a peace treaty she has a very definite responsibility to see that the terms of that treaty are carried out. We have been very censorious with regard to certain nations who have not fully lived up to their obligations under the peace treaty, but we must remember that the labour clauses of the peace treaty are just as solemn and just as binding as those which relate to boundaries, reparations, disarmament, and so on.

We have our responsibilities, and it was felt when these clauses were inserted, that labour, having suffered a great deal and having waived its claims during the war, had a right to certain consideration after the war was over. Therefore these labour clauses were inserted in the treaty. It must be remembered that unless we on our part live up to our obligations, it is going to be very difficult for other nations who signed the treaty, to live up to theirs. The idea was that we should have certain recognized standards pertaining to labour, and the eight hour day was amongst them. It would seem to me that in our British North America Act there is already ample provision to carry out our obligations under the treaty. There are certain residuary powers left to the Dominion, and I think we have fairly good judicial ground for saying that these residuary powers are sufficient to enable us to carry out our obligations.

The mover of the resolution made this statement: "There is only one province that implemented its obligations under the peace

treaty." To me these words show the utter absurdity of the present position. No one province has obligations under the peace treaty. It was not a province that made the war; it was not a province that signed the treaty. It was the Dominion that went to war; it was the Dominion that signed the treaty that brought the war to an end, and it is the Dominion and not an individual province that is responsible. Therefore we do not get anywhere by assuming that any province has obligations under the treaty. It is we as a Dominion who signed the treaty and it is we as a Dominion who should hold ourselves responsible for implementing the clauses in the treaty. I cannot help thinking after all it is because organized labour in Canada is comparatively weak that we have had such a long delay in carrying out these clauses in the peace treaty.

The fact is that until very recently we have had a considerable number of employees in the public service who have beeen working more than the eight hour day, and I believe there are still some in the public service who are working longer hours. Someone has called my attention to the fact that we have persons in the postal service and so on who are in this position. I cannot very well believe any minister can take the ground that it is in the interest of the people of Canada that men should work longer hours.

Let me call attention also to the seamen, certain grades of whom are working ten and twelve hours a day. They are a class of men who should be considered as coming directly under the Dominion authority; certainly they do not come under any provincial authority, and yet no one so far as I am aware has made any effort to modify our shipping act so that the men who go down to the sea in ships should work only eight hours a day. This is something that comes directly under Dominion jurisdiction.

A year ago attention was called to a large number of people in Canada who were working not only eight and ten hours but even twelve hours a day, and during certain periods, twelve hours a day for seven days a week. Every hon. member who was here a year ago must recall the debates which took place in the house in connection with the steel schedules and the proposal that some of us put forward that increases in the tariff should be made contingent upon the adoption of the eight hour day in the steel works at Sault Ste. Marie and at Sydney. Somebody asks: Who was the Minister of Labour then? The Minister of Labour then was the mover of this resolution (Mr. Heenan). I do not want to press that too hard, because not only did the government of that day refuse to do anything, but I recall that although the opposition gave us some support for a time, when the motion was actually pressed to a division they would not stand behind it. At that time we had a splendid opportunity of insisting that increases in the tariff should be made contingent upon the eight hour day, but it was not taken advantage of. The present Prime Minister (Mr. Bennett) promised, however, that unless changes were made within the year, the eight hour day would be enforced in the steel works. I understand some of the men have since been put on the eight hour day and some on a ten hour day, but no legislation has been brought into effect.

It is several years since the premier of one of the provinces wrote a letter urging the Dominion government to call an interprovincial conference at which this matter could be discussed and some uniform action taken. That request was not complied with by the late government. I would urge that the present government should call such a conference at an early date so that an understanding might be arrived at with regard to this matter. For example, as regards the steel workers it would be quite possible to have Ontario and Nova Scotia agree on the eight hour day proposal, and the other provinces would probably fall into line. Indeed it seems to be very late in the day that we in Canada should be discussing the desirability of adopting the eight hour day when economists almost all over the world are urging that it is necessary to have less than an eight hour day, to have a six hour day and possibly a five day week, if we are to overcome the present difficulty arising because of the large number who are unemployed. I recognize that unless concurrent legislation along other lines is passed, the eight hour day might work a hardship in some of the factories in Canada. There are some people engaged on piece work who are driven very hard on a very low wage and it is impossible for them during an eight hour day to make a sufficient wage to bring their standard of living up to anything like decency.

Mr. MACKENZIE (Vancouver): They could be exempted.

Mr. WOODSWORTH: It has been suggested that they could be exempted. I would say no; rather side by side with the legislation for the eight hour day we ought to have minimum wage legislation which would make it impossible for any employer to hire men at less than a decent living wage. We are coming to that stage when we ought to regard men as at least of as great importance

as cattle and horses. If owners starve their cattle or horses, we summon them for cruelty; surely we ought to insist that employers, if they are going to hire employees at all, should pay them a decent living wage. If then we are to have an eight hour day in this country, we should have concurrent legislation providing for a minimum wage so that men would receive a total annual wage sufficient to support themselves and their families. As one studies the industrial life across the country, one realizes that we are facing a new situation. Hundreds of thousands of our citizens are unemployed; people are going without work for weeks and months in the year. We ought to distribute work more evenly, and so, if we are producing more, as we seem to be, than the people have the power to purchase, one of the next steps would be to cut down the hours, as has been suggested, to a six hour day and a five day week. The distribution of the work over a larger group, would enable industry to absorb many of the unemployed. Of course there again we would have to have such legislation as would ensure that a lessening of the number of hours per week would not mean a lowered wage. The time has come when we must give very serious consideration to the great industrial problem that is now facing us. We cannot simply drift along allowing some employers to overwork their men for a few months and then turn them adrift, and allowing other employers to put in machines and turn out thousands of employees without giving them any chance of getting a job at all. I thought that we were worse off in the west than they were in the east. Probably we are, but only a few minutes ago I was talking to some gentlemen from Quebec who were telling me something of the conditions there. The same serious difficulties are beginning to develop in the east, with men drifting about on freight trains from city to city finding it impossible to get any sort of job at all. The resolution I know does not go beyond the implementing of our obligations under the peace treaty, but in view of the serious unemployment situation it seems to me that we ought to give more careful attention than ever before to the idea of a general limitation of hours of labour.

Further may I point out that we are holding back reform legislation in other countries? I can never read the information bulletins as sent out from the labour office at Geneva and observe how far behind the other nations Canada is without a sense of shame coming over me. Instead of being in the van, we are rather a drag on the wheels of progress.

[Mr. Woodsworth.]

Mr. BROWN: A good deal of emphasis has been laid on the fact that Canada is not living up to its obligations assumed under the peace treaty. Would the hon. gentleman give some information on that point? In what respects are we more remiss than other nations? Can the hon. gentleman give us the facts?

Mr. WOODSWORTH: I am sorry I have not the documents of the International Labour Office here with me, but I fancy that a good many hon. members receive the information published monthly from the labour office at Geneva. There is a table showing the ratifications of the various conventions by the nations that are members of the league. A glance at that table shows that many nations have lived up to their obligations. Canada's space is almost a blank. I recognize that as we are a federal nation it is more difficult for us to carry out some of these obligations than it is for some other nations, but that does not altogether absolve us from responsibility in the matter. Certainly in this matter of ratifications we are far behind a number of the nations of Europe. We try to tell our immigrants how happy they should be to live in Canada. We believe that Canada is one of the most highly civilized countries, yet a great many of these immigrants who have come to us from the nations of central Europe have been accustomed to the eight hour day and other conditions which make for a high standard of living. If there were an opportunity later in the debate, I should be very glad to supply my hon. friend from Lisgar (Mr. Brown) with the information that he asked for.

Mr. A. W. NEILL (Comox-Alberni): I hesitated to rise to my feet, Mr. Speaker, first of all because I had no desire to enter into this debate, and secondly because I was waiting in expectation that the established custom would be followed, and that some member representing the government would make a statement of policy on such an important matter. These private resolutions are brought before the house necessarily in a somewhat vague and academic way because we know the rules prohibit their being brought forward in a more positive manner. We had an illustration of that a few minutes ago when, after discussing a resolution that appeared to be perfectly in order, it was ruled out on a technicality. Nevertheless, these resolutions are brought in because it is the only method the representatives of the people have of informing the government of the temper, feeling and desires of the people they represent

in these public matters. It is generally supposed—perhaps it is more honoured in the expression than in the actual fact—that some member of the cabinet, more particularly the one whose department is concerned, will at least attend in his place and give some expression of the policy or intentions of the government in the matter. I would not have got to my feet at all if we had heard some expression from the minister who I presume represents in this house the Minister of Labour who is in another chamber.

Something has been said about the eight-hour day being in force in government departments throughout Canada. I am sorry that the hon. member for Victoria, B.C. (Mr. Plunkett) is not in his seat, because no doubt he would be able to tell me whether the conditions still exist which I heard of a few months ago, of an employee of one of the government offices in Victoria working twelve hours a day and seven days a week and fifty-two weeks in the year. When some protest was made, a subordinate official in that department expressed the opinion that it was quite all right. I think he said that this employee got three weeks' holidays in the year, and that should suffice him. Suffice him, after working twelve hours a day, and seven days a week, fifty-two weeks in the year, except for the three weeks' holiday?

I recall some years ago, when the agitation first became more or less pressing for legislation to provide for old age pensions, the government of the day issued some kind of manifesto in which they admitted that they were pledged to carry out the provisions of the Treaty of Versailles or of the conventions adopted at Washington, one of which was the one before us. Another related to old age pensions. In that manifesto the government said that they were fully seized of their responsibility in the matter, and they deemed that they had discharged their duty to the fullest extent of their ability and obligation by informing the various provinces that it was up to them. Then they washed their hands of the matter and were quite happy to leave it like that. As the hon. member who preceded me (Mr. Woodsworth) said, they appeared to think that Canada had assumed no responsibility as a nation when she signed the treaty. But the pressure of public opinion, particularly labour opinion grew stronger and stronger, and by and by it was discovered that the Dominion did have some power in connection with some of these matters; that while they could not exclusively deal with such things they did have such power as would enable them to help and assist the provinces in carrying out the obligations which, while technically provincial, were really in the upshot of a federal character. So legislation was brought down giving assistance to the provinces in carrying out at least one of the nation's obligations, and that was with regard to old age pensions. We all recall the objections that were raised by those who were then sitting on this side of the house, and how they pointed out how very unconstitutional it was for the federal government to take that action. It was butting into provincial matters, they said, and nothing but harm could come of it; it would be resented by the provinces and would lead to all kinds of disaster; it was going too far, on the one hand, and was not going to get anywhere, on the other. Since then, possibly in response to the pressure of public opinion, and possibly with some faint regard to the prospect of an election in the immediate future, we find that one of the big parties pledged itself, if not to grant 100 per cent of the old age pension, to grant 99 per cent; thereby admitting that they could from the first have assumed practically the whole obligation. So I hope that we are advancing step by step until finally we shall be able to adjust between the two contracting parties, the provinces and the Dominion, the carrying out of some of these obligations which up to the present, with very few exceptions, we have been decidedly ignoring.

As a nation we are ignoring our obligations. We boast of our nationality and we signed the treaty of Versailles as a nation, but we are not living up to the obligations we then assumed. The suggestion has been made, and very aptly I think, by both hon. members who preceded me, that there should be a conference called. In the absence of any light or leading on the part of the government I would again urge that the conference be held. A meeting between the provinces and the Dominion is very urgently required to solve several matters, such as that of affording relief during the coming winter. Every day the authorities in the towns and cities in the province of British Columbia are passing resolutions demanding this conference and saying that it must be held to take care not only of the certainty of need of relief for the next winter but also of the relief actually needed at the present time. People do not realize that although we are in the middle of the so called busy season every city has a substantial problem of relief assistance on its hands. If such a conference as I suggested a few days ago was held, it would be an appropriate time for the Dominion government to lay before the provinces this aspect

of the case. Federal authorities might say at such a time that they were prepared to give with a liberal hand and might ask the provinces not to forget their obligation. They might say to the provinces "If we help you on the one hand, what will you do to carry out your obligations in connection with matters with which you are as deeply concerned as we?" Such a conference would afford an appropriate opportunity to make some reasonable negotiations with the different provinces who are not in a position to flout this government or to say that they will pay no attention to its recommendations.

Mention has been made of men working less than eight hours a day. There are now a large number of men working less than eight hours, many of them because of hard times and other through a sense of loyalty to their fellow workmen. They are willing to work shorter hours so that the work may be spread around. Some employers are taking advantage of the labour situation, requiring their men to work short hours and in return giving equally short wages. On the other hand there are many firms which have realized the gravity of the situation and in order to spread the work around have put the men not only on eight hour shifts but on six hour shifts, and in most cases the men cheerfully agreed in the attempt to help their fellow men in distress.

The last speaker (Mr. Woodsworth) mentioned the conditions in the steel works of the eastern provinces. Taken by and large the average employer, like the average worker, is a pretty decent man; he will not abuse his employees or take advantage of an unfortunate situation. I am speaking about the bulk of them. Of course there are some who are consciousless and disregard their obligations. There are some who would take advantage of their fellow beings for the sake of making a little money—at least they think they make a little more money, but perhaps they do not. Those men, however, for the sake of some slight pecuniary reward will, as it is stated in scripture, "grind the faces of the poor." Those numbers are comparatively small. It would seem wise for us by legislation to lend our weight to assist those men who are willing to do the right thing rather than handicap them by having to compete with men who are false to their God, their neighbour and themselves.

It has been alleged, and truly I believe, that our lack of action has given an excuse for similar lack of action in other countries. I think one hon. member asked to what extent Canada had fallen short of the standards

of other countries. The hon. member for Winnipeg North Centre answered in a general way, not having his data before him. I am in a similar position, in this connection I shall refer to the records of the labour conventions passed at the meetings of the League of Nations at Geneva. In passing I would remark I think it was a mistake that those resolutions were called "conventions." If they had been called "resolutions" the people would have understood that they were binding thmesleves to something. People have a vague idea of the meaning of the word "conventions", and they do not understand they are binding themselves to a solemn obligation and agreeing to do such and such a thing. If the word "treaty" had been used I think the position would hve been clearer and the actual contractional obligations would have been understood. I am speaking from memory and am subject to correction, but I think that the conventions dealing with labour situations throughout the world issued by the League of Nations at Geneva numbered about four hundred. I believe the exact figure was in the neighborhood of four hundred and thirty. The number to which Canada agreed was, I am sorry to say woefully few. I should not like to go on record as to how few, but I think the exact number was in the neighbourhood of thirty-five. So that no matter what other nations have done we have a long way to go before we overtake some of those nations which, as the hon. member for Winnipeg North Centre has said, have obligated themselves to carry out a large number of the conventions, and have done so. The debate is not closed, and in fairness, and with no intention to criticize the government, I would suggest that the minister give us a lead in the matter by outlining the intentions of the government, if any. We should know whether the government purposes to do anything or to disregard the matter. I think that hon. members should be taken into the confidence of the government. Many times during this session when questions have been asked on the orders of the day we have been told that here and now is not the moment to discuss such and such a matter. We have been given assurances, we have been promised that at some distant and unmentioned date declarations of policies would be made. I suggest that now one of those auspicious moments has arrived; the time seems to be ripe for the government to declare its policy on the subject which has been brought up for discussion. The resolution has not been proposed for the sake of hearing ourselves talk or for the sake of taking up the time of hon. members—we would rather be at home. I

think this matter is one of sufficient importance to merit an expression of policy or opinion on the part of the government of the day.

Hon. W. A. GORDON (Minister of Immigration and Colonization): Mr. Speaker, I am sure that I express the view of every hon. member in the house when I say that none of us, if given the opportunity, would be slow to take any steps which would assist the workingmen or those who for the time being may not be getting just as much of this world's goods as some others. I am not in agreement with the hon. member for Winnipeg North Centre (Mr. Woodsworth) when he brings Canada to task for being behind the other nations of the world in connection with social legislation. It is true that during the short time I have been connected with the Department of Labour I have not had occasion to inquire into conditions in all the provinces. But I do know that in Ontario, with whose laws I am probably more familiar than with those of any other province, many measures have been enacted seeking to alleviate—yes, I will say it—the unfair position in which workers have been placed. The Workman's Compensation Act passed by the legislature in the days of the late Sir James Whitney was, I think we will all agree, one of the best pieces of social legislation that was ever enacted on this North American continent or in any other part of the world. That legislation was not thrown together indifferently and passed hurriedly; it was the result of years of careful study and investigation. It is based on a firm foundation, and provides for a fund to which industry contributes in sufficient measure to ensure the success of the legislation. I believe that all the other provinces have enacted similar legislation, and to-day we no longer see our workmen obliged to seek redress in the courts for damages arising out of accidents.

Mr. WOODSWORTH: I think the hon minister recognizes that applies to industry only, not to agriculture. In a number of countries of Europe workmen's compensation applies also to agricultural workers.

Mr. GORDON: I am not acquainted with the countries where workmen's compensation applies to agriculture, but I hazard the opinion—

Mr. WOODSWORTH: I have a table before me giving the countries.

Mr. GORDON: I do not know of any studied attempt in this country to have agriculture brought under the terms of the Workman's Compensation Act.

Mr. WOODSWORTH: That is where we happen to be behind other countries.

Mr. GORDON: I very much doubt if agriculture would be content to share the same burden as is assumed by industry to contribute to the fund necessary to render effective the legislation in this province. Then we have statutes in Ontario and in the other provinces to provide assistance for those engaged in industry.

Now, the pact to which reference has been made does not, I think, cast upon any of the signatory powers the obligation to invoke its very terms. The treaty with respect to labour conditions is more in the nature of a guide for those who signed it.

Mr. WOODSWORTH: A chart.

Mr. GORDON: A chart if you like, although perhaps I will not use the word because it has not yet been adopted by this side of the house.

Mr. MACKENZIE (Vancouver): You need one badly.

Mr. GORDON: It is more in the nature of a guide towards bringing into effect the suggestions contained in the treaty. The treaty begins:

> The high contracting parties in order to promote international cooperation and to achieve international peace and security by the acceptance of obligations not to resort to war, by the prescription of open, just and honourable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another, agree to this covenant of the League of Nations.

Reference has been made to part XIII of the treaty. It is as follows:

> Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;
>
> And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required: as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age anl injury protection of the interests of workers wher employed in countries other than their own

recognition of the principle of freedom of association, the organization of vocational and technical education and other measures:

Now, I hazard the opinion that not a nation in the world, let alone those that have signed this treaty, has been able to accomplish anything like that. The treaty never contemplated that its signatories would go back to their respective countries and pass laws to bring these things about. Following that preamble the treaty set up the machinery whereby all these subjects could be brought before the accredited representatives of the countries concerned for discussion and investigation, in the hope that the suggestions therein contained might be realized.

Mr. WOODSWORTH: But a large number of the signatory countries have actually passed such legislation.

Mr. GORDON: They may have passed such legislation, but I doubt if it has accomplished what this preamble seeks to accomplish. For instance, I should like to know what nation in the world to-day is not troubled with unemployment. Those countries may have solemnly passed such legislation, but probably it is just as effective as some of the resolutions which we pass concerning the abolition of war and establishing the world on a permanent peace basis. In section 2 of part XIII I find the following:

The high contracting parties recognize that differences of climate, habits and customs, of economic opportunity and industrial tradition, make strict uniformity in the conditions of labour difficult of immediate attainment. But, holding as they do, that labour should not be regarded merely as an article of commerce, they think that there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

Now undoubtedly that and other sections of the treaty were designed to take care of just such a situation as we have. Remember, I am not quarrelling with the spirit of the resolution at all, because if by conference or by arrangement with the provinces and with industry, yes, with agriculture, we can bring about a state of affairs that will enable us to lend assistance to any class of people in this country, then I am sure the government would work towards that end, and I believe it would receive the support of every hon. member. Some effort has been made in this direction. True, ten or twelve years have passed since this treaty was signed, and I do not know whether any conferences were called in view of the decision of the Supreme Court of Canada in 1924. But at any rate, whether we like it or not, our constitution divides certain powers between the Dominion and the provinces, and how we can get away from that division and still preserve the rights of the provinces I have not yet heard anyone suggest.

Mr. NEILL: What was the decision of the Supreme Court of Canada in 1924?

Mr. GORDON: The substance of their judgment in 1924—

Mr. GUTHRIE: 1925.

Mr. GORDON: My colleague says the decision was given in 1925. Its substance was that under the British North America Act the Dominion government did not have complete power to bring into being or establish the principles contained in the treaty and render them binding upon the provinces, as no doubt my friend from Comox-Alberni (Mr. Neill) knows, on account of the division of authority between the Dominion and the provinces under certain sections of the British North America Act. At any rate, at least it is hopeful to see that the federal government has passed legislation going as far as the government of the day felt they could go towards making the law applicable to work undertaken by the Dominion and to employees of the Dominion government. Probably it is to be regretted that steps were not taken to confer with the provinces sooner with a view to investigating the situation within the various provinces in the hope that common ground could be found where joint action, if necessary, could be taken by the federal and provincial authorities in order to satisfy, in so far as it can be satisfied, the principle laid down in the treaty.

So far as this government is concerned, certainly we will not be unmindful of the rights of those who would be concerned with the acceptance of the spirit of this resolution. There are some matters in connection with it which undoubtedly would give trouble, other than the division of legislative authority. Personally I know that in a number of industries a very considerable number of workers would not be satisfied with the eight hour day. The workers to whom I have particular reference are those working on community contracts. They would prefer to work longer hours in order to get the additional remuneration which would result from those longer hours of labour.

Mr. NEILL: What kind of work are they engaged in?

Mr. GORDON: I have particular reference to those engaged in contract mining.

Mr. NEILL: In metalliferous mines?

Mr. GORDON: Yes. They do not constitute any large class, but there are other classes of labour who carry on in the same way and by whom complaints undoubtedly would be voiced.

I am not here for the purpose of criticizing any government of the past for not having gone further than they did go; I think criticism of that character would serve no useful purpose. There may have been good and sufficient reasons why the matters were not investigated further in the past. On behalf of this government I can only say that this whole situation will be given consideration and study in the hope that something may be evolved which will be at least a partial solution of the subject matter of this resolution.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I am sure the country will appreciate the promise made by the minister that at least consideration will be given this important matter by the government, but if consideration is along the lines of the early part of my hon. friend's speech, I am afraid the result will not amount to very much. It did seem to me, in listening to my hon. friend, that, in so far as it might place obligations upon the provinces, he was seeking to relieve the government of all responsibility whatever with respect to the treaty, at least I took that to be the significance of his remarks.

I do not agree with the minister in that, though I agree with him entirely when he says the provinces and the Dominion each have different obligations in the matter of legislation. However, if there is a treaty which imposes upon the country as a whole an obligation with respect to such a great question as the eight-hour day, it does seem to me the Dominion is thereby brought into a very special relationship with the provinces, to see that in some way, if at all possible, the provisions of the treaty in that particular are made applicable in the provinces as well as in the Dominion.

Mr. GORDON: Would the right hon. gentleman be satisfied if this government equated in time and effort the work of the late government in bringing about anything of this character?

Mr. MACKENZIE KING: I only hope this government will begin to approach what was done by the late government. I can hardly think they will do so, but I hope very much they will. Matters of this kind must necessarily be proceeded with by stages. Undoubtedly where an obligation is placed upon both the Dominion and the provinces, the provinces would expect the Dominion in the first instance to fulfil in letter and spirit alike the obligation as it bears upon the Dominion. The ex-Minister of Labour (Mr. Heenan) has given to the house this evening a résumé of the legislation enacted by the late administration when it was in office. He made it clear, and I think it is apparent to all, that while the late administration was in office it did place upon the statutes legislation with respect to the eight-hour day, which went just as far as it was possible for this parliament to enact legislation of the kind. We made a provision with respect to all public work—

Mr. GORDON: What year was that?

Mr. MACKENZIE KING: That was in 1930, during the last session of the last parliament.

Mr. MANION: Just before the election.

Mr. MACKENZIE KING: It was the last session of the last parliament. Prior to that, we had been working up to the point, bit by bit, where an all embracing enactment would be assured of more or less general support in the house; we had applied the eight hour day to the employees first of one department and then of another, or to one class, then to another, gradually extending its application to all. At the time the general act was introduced there were a few remaining odds and ends, and the general act made applicable to all fields and virtually to all employees what had been the policy of the government with respect to the application of the principle of the eight hour day. As I was saying when interrupted, with respect to public works, the provision of the eight hour day was made generally applicable to all employees engaged upon Dominion work. With respect to employees of departments other than those working upon contracts of the Department of Public Works the eight hour day was made applicable by order in council, in so far as it was believed to be in the public interest to regulate the hours of employees of all departments in that way.

That was the first necessary step towards a general application of the eight hour day throughout Canada. The next step it would offer would be for the Dominion government to call the provinces into conference and point out to them their obligation under the treaty with respect to the application of the eight hour day. Once the Dominion has made its own position clear and unassailable it is then in a position to speak with some force and effect to the different provinces. I believe an evening or two ago, the Minister of Justice (Mr. Guthrie) suggested with res-

pect to amendments to the British North America Act, that it was desirable that we of this house should have a conference to decide in the first instance upon what amendments we could all agree. That was to be followed by a conference with the provinces, to see if they could not be brought into line with respect to the proposed necessary amendments.

I had rather hoped that the minister who is representing the Minister of Labour in this house, in speaking this evening, would on behalf on the government have taken advantage of the proposed conference referred to by the Minister of Justice the other night and said that the government, at the time of the coming conference with respect to amendments to the British North America Act, would consider with the provinces this question of the eight hour day. Perhaps the Minister of Justice will speak later in the debate and give the house and the country this assurance. If he would go that far I think we would be moving one step further in the right direction, and it seems to me this is a step that should be taken. If, as was intimated earlier in the debate, only one province is at present complying with the provisions of the treaty having to do with the eight hour day, clearly that province to some extent is being handicapped in its competition with others by virtue of its own legislation, which is along right and proper lines. In other words, because its standard is high it is being defeated in its very aims to improve conditions, by the fact that its standard is being undermined through other provinces not falling into line. A Dominion cenference which would show the necessity of a uniform standard with respect to hours being made to prevail in all the provinces would be assisting those provinces which to-day are maintaining a high standard or which in the near future are likely to maintain it. That is a step which I think might be taken with respect to the situation as it is at the moment with all due regard to what has been done in the past or to what has been left undone. Having made our own position impregnable so far as our obligations under the provisions of the Versailles treaty with respect to the eight hour day are concerned, we are now in a position to use our best efforts through conferences and the like with the provinces to have them adopt a similar course. If as a result of a conference, it becomes obvious that the necessary enactments cannot be obtained in that way, then it would seem to me to be in the interests of all concerned that careful consideration should be given to a possible amending of the British North America Act so as to make possible uniformity of legislation throughout the Dominion on such all important matters as this.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I quite agree with the concluding words which have just fallen from the lips of my right hon. friend the leader of the opposition (Mr. Mackenzie King). He has summed up in a sentence the whole matter, namely, that something will have to be done in regard to the British North America Act before any further practical steps can be taken in the direction suggested by the motion moved by the hon. member for Kenora-Rainy River (Mr. Heenan). Last Monday night we discussed in this house the question of amendments to the British North America Act with a view to granting to the parliament of Canada the right to amend Canda's constitution, a right which is enjoyed by all the provinces in respect to their own constitutions, but is not enjoyed by the federal parliament. No advance can be made in regard to the proposal embraced in this motion until an amendment to the British North America Act has been passed.

My right hon. friend the leader of the opposition said that it is the duty of this government to take such a position in regard to this matter that it can speak to the provinces with force and effect. My view is that the provinces value their rights and their privileges under our constitutional charter just as highly as we in this parliament value ours, and the moment this parliament seeks to speak to the provincial authorities with force and effect, trouble is bound to ensue. We sometimes forget that our constitutional charter is just as much the constitutional charter of the provinces as it is of the Dominion, and they value it just as highly. The question involved in this motion is one as between employer and employee. It is a question of hours of labour, purely and simply, a question of civil rights, and questions of civil rights are expressly stated in the British North America Act to be within the legislative jurisdiction of the provinces. I assume that no one knows better than the hon. member for Kenora-Rainy River and my right hon. friend the leader of the opposition that this matter has been determined by the highest tribunal in the land. From the year 1921, when the government of my right hon. friend took power, down to 1924, neither he nor his government nor his then Minister of Labour made a move or took a step in regard to the implementing of any obligations in respect

to the eight hour day which were cast upon Canada by the covenant of the League of Nations.

Mr. MACKENZIE KING: That is not correct.

Mr. GUTHRIE: The matter was brought to the attention of this house by hon. members representing labour; upon their motion a discussion took place and the question was referred to a committee of the house, the committee on international and industrial relations. That motion was moved in 1924. It received the support of the whole house, and the question was referred to that committee and occupied their attention for some time. They examined witnesses, they considered our constitutional charter, they called before them the Deputy Minister of Justice; they covered the case very fully and made a report to the house to the effect that the matter should be submitted to the Supreme Court of Canada for an opinion. It was not the government which initiated these proceedings, it was the Labour party in this house supported by a majority.

Mr. MACKENZIE KING: The majority was a government majority.

Mr. GUTHRIE: The majority was the unanimous vote of this house and not a government majority. Had the government had its way probably the matter would never have been brought before the house. The question was put up squarely to the Supreme Court of Canada in 1925. I have not the report of the case before me, but I quote from the order in council referred to by the hon. member for Kenora-Rainy River, as follows:

> That the judgment of the Supreme Court of Canada contained the following declaration: "The subject matter is generally within the competence of the legislatures of the provinces but the authority vested in these legislatures does not enable them to give the force of law to provisions such as those contained in the draft convention in relation to servants of the Dominion government, or to legislate for those parts of Canada which are not within the boundaries of a province."

That was the answer of the supreme court, and that answer portrays a real difficulty. This parliament is powerless to carry out a convention applicable to the Dominion of Canada save only in respect of our own employees. While the provinces agreed to adopt any obligations which were cast upon Canada by that treaty, the country and the house are aware that there is a clause in the British North America Act, clause 132, which is applicable to international treaties. That clause reads as follows:

> The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British Empire, towards foreign countries arising under treaties between the empire and such foreign countries.

That clause enables this parliament only to deal with foreign treaties so far as national rights and interests are concerned, and does not give us the power in any way to dispose of, to impose upon or to limit the rights, duties or privileges of any of the provinces.

As I view this motion in the form in which it is moved I can see no objection whatever to its adoption at the present time by parliament. Speaking on another motion a week ago I stated that it was the intention of the government at some time in the not too distant future to summon a provincial conference for the express purpose of considering questions relating to the amending of the British North America Act. I realize and we all know that there is throughout the provinces of Canada a very strong desire that certain amendments should be made to our constitutional act; in fact requests in this regard do come from time to time, both from the east and from the west, particularly in regard to matters of taxation.

There is another question which will occasion a distinct cleavage between provincial and Dominion authority. I do not know that there is any right more sacredly held in the provinces of Canada than their right to legislate on all matters pertaining to property and civil rights. I would not be one who would dictate or seek to dictate to any province as to what line of action it should take in regard to matters distinctly under provincial control. I would not be one who would seek to speak with that force and effect which my right hon. friend mentioned we would have if we took a lead in regard to this matter. I realize that this question is one which the provinces themselves will have to decide, and if they are willing that in regard to this matter of civil rights, hours of labour and employment in the provinces, the federal government shall represent them in carrying out this convention, all well and good. On behalf of the government I say that we agree, but I shall be no party to dictating to or coercing the provinces in this or any other respect upon a matter which lies purely within provincial jurisdiction.

Mr. NEILL: The language which I used was "give a lead." I did not suggest coercion.

Mr. GUTHRIE: I was not referring to my hon. friend. I was referring to the language of the leader of the opposition.

Mr. MACKENZIE KING: May I interrupt my hon. friend for a moment? I think he is placing upon my words a construction that they were certainly not intended to have. If by "force and effect," he means compulsion, I quite agree with him that the Dominion has no right in any way to attempt to compel the provinces to do anything. But if by " force and effect" is meant what I meant, "speaking with some degree of authority," or if we put it the other way, "not without some force or without effect," as would be the case if our own skirts were clean, then that would be the interpretation.

Mr. GUTHRIE: I cannot agree that we could speak with authority in this matter because the authority is not in the hands of this parliament. The authority to legislate in this matter is in the hands of the provinces. I repeat: If the provinces will agree, the way is made plain for us in this parliament; but if the provinces fail of agreement, there is no way of coercing them and you cannot get an amendment to the British North America Act to give you authority to coerce them unless the provinces agree that such an amendment be made. That is the practical, the whole difficulty. There is no use in beating about the bush. No one knows the difficulty better than the hon. member for Winnipeg North Centre. He is a student of these matters; he has a very wide knowledge of them; he speaks with great authority upon this question, but he realizes just as fully as I do or as any other hon. member does that there is this real practical difficulty ahead of us. But I am willing to say that when the conference is called this is one of the matters which may fairly be submitted to it. For my part I would much rather that the provinces themselves introduced such a question. I know they will introduce at such a conference many other questions which affect their rights and some which involve ours; but I believe the best way to reach a conclusion, and a satisfactory one, upon this and many other questions, is to have that conference and to have it just as soon as it can conveniently be held.

The motion is a pious aspiration in the right direction and I think the house may well agree that it should carry in its present form.

Mr. A. A. HEAPS (North Winnipeg): I am glad to hear the statement just made by the Minister of Justice (Mr. Guthrie). At the present time there is no question of greater importance than that of the hours of labour worked in industry. Under the circumstances it is far better that the federal authorities take the lead in this matter than that we wait until the nine different provinces do so. It is much easier for the central authority to assume the lead than to wait until the nine provinces can come together on common ground.

The question of hours of labour has ramifications outside the provincial aspect. The hours of labour in one country naturally affect the hours of labour in another, and the hours of labour worked in one province affect the hours of labour worked in another. In exactly the same way, as the acting Minister of Labour (Mr. Gordon) pointed out, when Ontario introduced the Workmen's Compensation Act in that province, other provinces in the Dominion followed suit. So it is with the hours of labour. I am satisfied that ultimately the hours of labour will have to be regulated, not merely provincially or federally, but internationally. For one country to be on an eight hour day schedule and another to be on a twelve hour day schedule is unfair, because it is obvious that a country where long hours are worked and the wages are low will find it much easier to compete with a country where there is a high standard of living. That is one of the reasons given why some countries cannot reduce the hours of labour or give increased remuneration to the workers engaged in industry.

I contend, therefore, that the federal government ought to make every possible effort to strengthen the League of Nations in its attempt to bring about international legislation along the lines indicated here this evening. Already several nations have carried out the recommendations of the League of Nations, not merely by adopting resolutions but actually by passing legislation. Amongst the countries which have adopted the eight hour day are Belgium, Bulgaria, Greece, Portugal, Roumania, Czechoslovakia and several others. In addition there are several countries which as yet have not put through such legislation, but the eight hour day is more or less effective as it is throughout the whole of the British isles.

The question of the eight hour day is not a new one. It has been before the peoples of different parts of the world for many a long year. In fact, when members of the present government chided the opposition for being so slow in their activities, I want to point out that away back in 1919 a commission known as the Mathers commission was appointed by the then government. It toured the country and brought in a rather comprehensive report in regard to labour conditions and legislation.

I should like to quote just one recommendation of that commission. Recommendation No. 52 reads:

In many industries in Canada the eight hour day has already been adopted, and it has been recognized by the Peace treaty. We recommend that it be established by law throughout Canada, with due regard for the above consideration. Such legislation should provide for a weekly rest of at least twenty-four hours which should include Sunday whenever practicable.

So that away back in the summer of 1919 we had a commission which, after it had toured the country, brought in a recommendation in favour of an eight hour day. From 1919 until the present time very little progress has been made in Canada with regard to implementing the recommendations of either the peace treaty or the Mathers commission of 1919.

I said a moment ago that the hours of labour would be far more effectively regulated by international convention than by national legislation. Therefore I believe that anything we can do in this house to strengthen the only body in existence at the present time that is dealing with this question, should have the sympathy of all concerned. The only body of an international character dealing with these matters is the League of Nations. I believe it should be our duty to strengthen the League of Nations, and the only way in which we can strengthen it is by this house bringing in legislation implementing the peace treaty of Versailles. I was very glad indeed, therefore, to hear the pronouncement this evening of the Minister of Justice, that a conference with the provincial governments will be called at an early day. I hope that when that conference meets the Dominion government will themselves take a firm stand and go on record as being in favour of the eight hour day, and when it has been approved by the provinces, I hope we shall then be in a position to carry out the recommendations of the peace treaty.

Mr. JEAN FRANCOIS POULIOT (Témiscouata): For the first time, Mr. Speaker, since the beginning of the session I wish to congratulate every speaker who has taken part in the debate. I wish to say just a few words about what happened in my constituency with regard to hours of labour. A return that has been brought down to the house shows that the mayor of Riviere du Loup wrote to the federal director of unemployment relief to the effect that labour there was being paid only $2.25 per day, and that he was not familiar with the regulations. I quote:

(Translation) The facts are that, not having any knowledge of such regulations and, furthermore, having begun work in a hurry in order to be of some help to the unemployed before the very cold season of January set in, as at that time it is impossible to carry on with the work, we did our best.

As previously stated, the practice followed here as regards work, is the 10 hour day at 22½ cents per hour, or $2.25 per day and we have followed that practice. I wish to add that on such a wage basis, our people were quite satisfied to carry on, and we had to choose among them in order to employ those who were most in need.

I note that the hon. Minister of Labour asked you to advise us that, under the circumstances, our accounts will be settled by authority which is granted for work carried out before December 31. I must thank you for attending to this matter, and we also wish to extend our thanks to the Minister for his liberal attitude, you may rest assured that as regards the work carried out since January 1, the eight hour clause with wages of 30 cents per hour is strictly adhered to.

(Translation) I do not wish to delay the house too long. There are other municipalities for which requests were made but not granted: St. Edwige of Clifton, county of Compton, Disraeli, county of Wolfe; St. Samuel de Horton, county of Nicolet; St. Tite, county of Champlain; Paspébiac, county of Bonaventure; St. Pierre and St. Paul, of Bay St. Paul, county of Charlevoix; Escuminac, county of Bonaventure; La Sarre, county of Abitibi; Notre Dame de Palmoral, county of Abitibi; St. Narcisse, county of Champlain; St. Nazaire, county of Chicoutimi; Hope, county of Bonaventure; St. Antoine de Gros Morne, county of Gaspé and others.

What happened, Mr. Speaker, was this: Low wages were being paid for long hours of labour in Rivière du Loup, and that continued until the 31st of December last. Correspondence was exchanged between the federal director of unemployment relief, the deputy director of the province of Quebec, and the mayor of Rivière du Loup in that connection, and the federal director decided that although these low wages were against the regulations which had been accepted by the federal and provincial ministers of labour, the low wages and long hours should continue until December 31 last, and then cease. I think that was unfair, and I bring it to the attention now of the Acting Minister of Labour so that he may take the matter up with the Minister of Labour with a view to seeing that the city of Rivière du Loup shall pay the rate of wages decided on by the federal authorities. I hope that the Acting Minister of Labour will be kind enough to see to the matter at his earliest convenience.

May I congratulate the hon. member for Kenora-Rainy River (Mr. Heenan) upon bringing forward this resolution? He has done much for the labouring classes, and his work has always been very much appreciated, especially the legislation which was enacted on his initiative and which has been greatly to the benefit of the labouring classes.

Mr. J. H. STITT (Selkirk): I hesitate at this late hour to rise and address the house but the question of the eight-hour day was a very live issue in the constituency of Selkirk, which I have the honour to represent, and which is populated by so many working people. When I first saw this motion on the order paper I thought it was remarkable that it should be proposed by the ex-Minister of Labour (Mr Heenan) in view of the conditions prevailing in my constituency in relation to a matter under the supervision of the late government. I refer to the fact that in the constituency of Selkirk there is a federal penitentiary at Stony Mountain. I have not been able to understand just how it was, if the late administration was in favour of the eight-hour day, that they allowed the guards at that penitentiary to work in shifts of eleven and thirteen hours—and I may add that at the present time they are still working long hours. Many of them are returned soldiers drawing a pension for disability incurred on active service, and they are called upon to perform the task of keeping guard for eleven and sometimes thirteen hours a day. One who has had military service knows that a man who has been on guard for a period of four hours, and often less, is very much inclined to go to sleep and is not able to perform his duty adequately.

I was interested in the remark of the right hon. leader of the opposition (Mr. Mackenzie King) to the effect that the provinces expected the Dominion to fulfil to the letter the wording of this resolution. If he realizes that the provinces expected the federal government to live up to the letter of this resolution, how was it that in all the penal institutions of this country the late administration allowed the guards to work for periods of eleven and thirteen hours a day? That is one thing that I have never been able to understand.

In the province of Manitoba there is also a provincial penal institution at Headingly, a very large institution housing more inmates than the federal penitentiary. In this provincial institution they have been able to establish an eight-hour day for the guards, and I see no reason why the eight-hour day could not be established in our federal penal institution as well.

This question of hours of labour is one which is agitating the mind of every thinking man in Canada at the present time. We all know that by specialization of functions men are able to accomplish more in a lesser period of time than they were heretofore. The great problem we are facing to-day is not that of efficiency of labour, is not that of the production of the largest quantity of goods in the shortest period of time at a minimum cost. It is the problem faced at the present time by every nation in the civilized world, that of the distribution of work. As indicated the other day by the hon. member for Red Deer (Mr. Speakman) we have to a great extent solved the problem of production, but we have not solved the problem of distribution. If the late government was really in earnest in the matter of carrying out the terms of the peace treaty, it is remarkable that this conference was not called long ago. If the late government was really honestly endeavouring to carry out the obligation of Canada to the other nations of the world, such a conference should have been held. I realize that if the resolution were adopted and the law of the land became such that in Canada the eight-hour day should be compulsory, a great hardship might be inflicted on many of our workers. When I make that statement I am thinking of the iron and steel industry in the town of Selkirk in my constituency. In that constituency there are many men who are working—

Mr. HEENAN: I was wondering if the hon. member heard the acting leader of the government say that he was willing the motion should carry. I would remind the hon. member that it is now just one minute to eleven o'clock.

Mr. STITT (Selkirk): I am quite satisfied that the motion should carry if the hon. Minister of Justice (Mr. Guthrie) expressed his willingness. If the motion is carried all will be accomplished which reasonably could be expected at the present time. I have sat in my seat and listened to member after member speak on this matter. I represent a great number of workingmen in the constituency of Selkirk and no member representing my constituency could sit in this house and continue to represent those workingmen unless he raised his voice in support of this motion.

Mr. SPEAKER: It being eleven o'clock the house will stand adjourned until to-morrow at three o'clock.

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

Tuesday, May 19, 1931.

The house met at three o'clock.

BUSINESS OF THE HOUSE

SUGGESTION THAT RETURNS TABLED BE PREPARED IN DUPLICATE

On the orders of the day:

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, would it be possible for the different departments to arrange to table returns in duplicate, otherwise we will have to continue to go to the trouble of having these papers copied. A duplicate could easily be made at the time the original is being prepared.

BEAUHARNOIS POWER CORPORATION

MOTION FOR ADJOURNMENT TO DISCUSS MATTER OF URGENT PUBLIC IMPORTANCE

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I desire to ask leave of the house to move, seconded by the hon. member for Bow River (Mr. Garland), the adjournment to discuss a definite matter of urgent public importance respecting order in council P.C. 422, dated March 8, 1929, passed under circumstances that amount to an abuse and infringement of the privileges of this house and constituting a serious reflection upon the honour and integrity of the parliament of Canada, and also to discuss the unauthorized and illegal action of the Beauharnois Light, Heat and Power Company in proceeding to construct the Beauharnois canal in contravention of the terms of order in council P.C. 422, dated March 8, 1929, and the plans provided therein, and in further contravention of the terms of the British North America Act, the building of the said canal being brought about in such manner as unjustly to deprive the people of Canada of a vast part of the national domain, thus causing a great and irreparable loss unless immediate action is taken by the government in respect thereto.

Mr. SPEAKER: Has the hon. member the leave of the house to move the adjournment.

The Clerk Assistant having stated that thirteen members had risen:

Mr. SPEAKER: As less than twenty, but not less than five members have risen in their places, I will now put the question as to whether the hon. member has leave to move the adjournment of the house.

The house divided on the question which was resolved in the affirmative on the following division:

YEAS

Messrs:

Anderson (Halton),
Barber,
Baribeau,
Barrette,
Beaubier,
Bell (Hamilton West),
Bell (St. Antoine),
Bennett,
Beynon,
Blair,
Bouchard,
Bowen,
Bradette,
Brown,
Buckley,
Burns,
Bury,
Butcher,
Cahan,
Campbell,
Carmichael,
Casgrain,
Cayley,
Chaplin,
Charters,
Coote,
Cormier,
Cotnam,
Cowan (Long Lake),
Deslauriers,
Dickie,
Donnelly,
Dorion,
Duguay,
Duranleau,
Elliott,
Embury,
Ernst,
Esling,
Euler,
Factor,
Fiset (Sir Eugène),
Fontaine,
Fournier,
Fraser (Cariboo),
Gagnon,
Ganong,
Gardiner,
Garland (Bow River),
Geary,
Gershaw,
Gobeil,
Gordon,
Goulet,
Guthrie,
Hanson (Skeena),
Harris,
Hay,
Heaps,
Howard,
Hurtubise,
Irvine,
Johnstone,
Kennedy (Peace River),
Kennedy (Winnipeg South Centre),
King, Mackenzie,
Laflèche,
Lapointe,
Larue,
LaVergne,
Lawson,
Loucks,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdougall,
MacInnis,
Mackenzie (Vancouver Centre),
MacLaren,
MacMillan (Saskatoon),
MacNicol,
Macphail (Miss),
McGibbon,
McGillis,
McGregor,
McPhee,
Matthews,
Moore (Chateauguay-Huntingdon),
Moore (Ontario),
Munn,
Nicholson,
Parent,
Peck,
Perley (Qu'Appelle),
Pettit,
Pickel,
Plunkett,
Porteous,
Power,
Quinn,
Rhéaume,
Rinfret,
Robinson,
Robitaille,
Rogers,
Ross,
Ryerson,
Sanderson,
Sauvé,
Séguin,
Senn,
Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smoke,
Spankie,
Speakman,
Spence,
Spencer,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sutherland,
Swanston,
Taylor,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark),
Totzke,
Tummon,
Turnbull,
Urquhart,

Vallance,	Willis,
Veniot,	Wilson,
Weese,	Woodsworth,
Weir (Macdonald),	Wright.—147.
White (Mount Royal),	

NAYS

Messrs:

Bertrand,	Ilsley,
Bothwell,	McIntosh,
Boulanger,	McKenzie
Bourassa,	(Assiniboia),
Brasset,	Mercier (Laurier-
Denis,	Outremont),
Desrochers,	Mercier (St. Henri),
Dumaine,	Neill,
Fafard,	Raymond,
Gray,	Roberge,
Hall,	St-Père.—21.
Hanbury,	

Mr. GOTT: I was paired with the hon. member for Kent, (Ont.) (Mr. Rutherford). Had I voted I would have voted for the motion.

Mr. HEPBURN: In view of the importance of this matter, I wish to announce that I am paired with the hon. member for North Huron (Mr. Spotton); otherwise I would have voted for the motion.

Mr. HEENAN: I have a standing agreement with the hon. member for Digby-Annapolis (Mr. Short), so that when either one of us is not in the chamber, the other will not vote on any question. But had I voted, I would have voted for the motion.

Mr. MURPHY: I was paired with the hon. member for West Edmonton (Mr. Stewart). Had I voted I would have voted for the motion.

Mr. WEIR (Melfort): I was paired with the hon. member for Melville (Mr. Motherwell). Had I voted I would have voted for the motion.

Mr. BELL (St. John): I was paired with the hon. member for Nicolet (Mr. Dubois). Had I voted I would have voted for the motion.

Mr YOUNG: I was paired with the hon. member for South Renfrew (Mr. Maloney). Had I voted I would have voted against the motion.

Mr. CANTLEY: I was paired with the hon. member for Richelieu (Mr. Cardin). Had I voted I would have voted for the motion.

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted I would have voted for the motion.

[Mr. Speaker.]

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted I would have voted for the motion.

Mr. PERRAS (Translation): I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted for the motion.

Mr. MARCIL: I was paired with the hon. member for Argenteuil (Sir George Perley).

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted I would have voted for the motion.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Speaking on a question of privilege, there is, I believe, in the taking of votes in the house a custom whereby the Assistant Clerk is expected to look first to the Prime Minister on the government side in order amongst other things that the views and wishes of the administration in the matter of recording a vote may be made known. When I saw the Prime Minister (Mr. Bennett) did not rise when the yeas were called, I assumed that he was taking a view somewhat similar to my own with respect to this matter, namely, that if the matter were one of great importance some notice should have been given in advance of a motion of this kind, so that members who were interested and who had a special knowledge of the matter, might be present. When the Prime Minister did not rise, I assumed that such was his point of view. I could not understand how a matter relating to a transaction of two or three years ago, could just at this moment become one of urgent public importance; I therefore felt that I would join with him in seeking to preserve what I believe to be the best procedure under the rules of the house in the matter of debate and governed my actions accordingly. That was the reason why at the outset some of us on this side of the house did not support the motion but conformed to the order in which votes are generally taken in giving our vote only after the other side of the house had recorded its vote.

Right Hon. R. B. BENNETT (Prime Minister): Speaking to the question of privileges of the house I may say that the Assistant Clerk did not look to his right when the vote was called. He called first the hon. member for Acadia (Mr. Gardiner). It is my opinion that only questions of urgency should be the subject matter of a motion to adjourn the house. My personal opinion is that this is not a matter of such urgency.

Mr. McINTOSH: Why did the right hon. gentleman vote for it?

Mr. BENNETT: Just a moment. The chair having decided that it was a matter in which the hon. gentleman should have leave; the chair having called upon twenty members to rise, I not being one of that number and the house having indicated clearly its desire that the motion should be put, the will of the house should govern. But I still think this is not a matter of urgency within the rule. I merely desire to make that statement, because, after all, the will of the house governs with respect to the matter, and the house decided that leave should be given.

Mr. POWER: I rise to a point of order. When such prominent members of the house as the leader of the opposition and the Prime Minister press the opinion that this is not a matter of public importance, I raise the point of order as to the possibility of changing the recorded decision.

Mr. SPEAKER: The question cannot properly be raised at this time; it is not a point of order. Subsections 3 and 4 of standing order 31 cover the matter completely, and I would refer the hon. member to the same.

And leave having been granted:

Mr. GARDINER: Mr. Speaker, I appreciate very much the sentiment which the house has expressed in answering the question affirmatively and by such a large majority. It is unfortunate that on a question of this kind, unless you want to throw the whole matter into the purely political arena, you must adopt this method of obtaining a hearing before the house. It would have been quite possible to bring the matter up on a motion to go into supply, but unless you confine the discussion to an amendment to the motion to go into supply you will not have the question you desire to bring up discussed in the manner in which you wish it to be discussed. Furthermore, the government of the day always feels that an amendment on a motion to go into supply is a motion of want of confidence, and therefore I chose this method rather than a motion of want of confidence.

On the 22nd May of last year I asked leave of the house to move the adjournment to discuss a definite matter of urgent public importance in connection with the hydro electric development of the Soulanges section of St. Lawrence river. On that occasion I reviewed, more or less inadequately, the history of its development and I hope I succeeded in convincing hon. members that this development was brought about and was being proceeded with in a manner which called for action by the house. The then Prime Minister (Mr. Mackenzie King) listened throughout the debate and did not say anything in reply. The present Prime Minister (Mr. Bennett), then leader of the opposition, took advantage of that occasion to make some observations, and I shall refer to what the present Prime Minister is reported then to have said. As reported at page 2419 of Hansard of May 22, 1930, the present Prime Minister is reported as saying:

> But what position are we in? The power that once belonged to Canada and to all the people—and I have a very strong conviction when I use those words—has now passed irrevocably out of our hands. The price at which that power is to be sold for Canadian development is to be passed upon by three managers for the next ten years. That is what it means.
>
> Let us look at this thing fairly. There are the names of the persons concerned; some of them are friends of mine. Does that deter me from the discharge of my public duty here? It does not. My public duty here is to point out just what I am pointing out to this country, that the power development of the great natural resources of power and energy that infuse life into factories and make them efficient instruments for the purpose of making this country great, can come about only by a realization that this development must be under terms and conditions that enable such power to be available to the Canadian people on the cheapest possible terms. These resources are held by us from Providence in trust, not for the few but for all; they are held in trust for the Canadian people and not for the few. I am the last man who would deny to the man with enterprise, initiative and courage just compensation for his efforts, but I ask any hon. gentleman sitting opposite, whether he be a capitalist or otherwise, to read the figures given this afternoon and say whether this country of ours has had a fair deal. We are the beneficiaries; the crown in the right of the Dominion has been the trustee; they and they only could grant the permission, and when they granted that permission did they impose a single restriction or condition that would secure to posterity and to this generation as well the use of that great natural power given to us by Providence, the extent and value of which is such that it should make Canada equal any nation in the world?
>
> That is the question. When we talk as we have been talking about the necessity for protection and why it is necessary to put ourselves on terms of even and fair competition with those who are carrying on mass production in other countries, we must remember that one

of the most valuable factors, namely, the great hydro-electric possibilities of Canada, is now passing out of our hands and cheap production is then rendered less and less possible. I say, sir, that while I sat in my place and listened, as I did this afternoon for the first time, to those speakers and remembered what I have read as to the prices at which securities upon the stock exchanges are being sold, I realized that in its possibilities this was one of the most gigantic enterprises this country has ever had to consider, and the question is well worthy of the consideration of parliament even if it were the day before dissolution. I am only sorry that it should not have been considered before this. I have been recreant to my duty in that it has not been so considered and after all I heard during this discussion this afternoon I realized that fact.

I do think, and I say it to the Prime Minister, that this matter should be the subject of judicial inquiry. It should be inquired into; there have been statements made which necessitate that procedure being adopted. Why should $3,500,000 be spent for little or nothing? What is the reason for this vast financial scheme? Why, there are now several thousand shares apparently available for sale on the market at $15 per share which, in itself as you will observe, involves a vast sum of money. What is the reason for these things being done without our having some knowledge of just what Mr. Sweezey meant when he pointed out what had to be done in order to secure the results which he has attained?

Go to the United States and watch what they are doing there. We talk about our institutions; the United States Senate lays bare everything. What are we doing in this country? We are pussyfooting about matters of this kind, because men think that your friend or my friend may be associated with this matter, and we have not the courage to stand up and talk about it. Well, sir, I value my position in public life, but I would rather be relegated to private life and be there forever than remain silent on an occasion of this kind.

That is what I have to say; let there be no misunderstanding about it. It may mean that I will be subjected to the threats of the great financial powers that are behind this venture. I snap my fingers; that is my answer.

I confess, Mr. Speaker, when I contemplate this matter and when I regard all that is involved in it, not to thousands but to millions of people who some day will fill this great valley around the St. Lawrence, which might become one of the greatest industrial centres in America—the Ruhr of Canada; when I contemplate what those figures meant this afternoon, my feeling of resentment gets the better of me. I ask hon. gentlemen if this thing is to be tolerated. It rests with us, with each of us, to say whether or not it shall be tolerated, and I believe that in the end the common sense of the Canadian people will prevail and that, great and powerful though the promoters have been, they are not sufficiently powerful to control the common sense of the people of Canada.

[Mr. Gardiner.]

I just want to mention now in passing that the Prime Minister was undoubtedly mistaken in saying that "the power has now passed irrevocably out of our hands." I am sure on more mature reflection he will agree with me that that power still belongs to us and not to the Beauharnois Light, Heat and Power Company, and that he may still secure for the people of Canada their heritage which Sweezey and his friends are attempting to acquire by fraud and conspiracy.

Hon. members will recall that it was pointed out on May 22 last that the Beauharnois Light, Heat and Power Company first applied to the Dominion government for permission to divert the whole flow of the St. Lawrence river through the Beauharnois canal, beginning with an initial 40,000 cubic feet per second and the approval of its plans to effect such diversion.

This application was so preposterous that the then Liberal government was forced to refuse to entertain it, but only after the most vigorous protests had been made against it. Hon. gentlemen will note that the then Minister of Public Works (Mr. Elliott) in an apparent endeavour to help Mr. Sweezey and his senatorial friends, limited the protests to the question of navigation only, thus preventing any protests being made with respect to other and most important features of this transaction.

Having failed, however, to secure the approval of the original application by which they would get the whole flow of the river, these promoters, with their real object still in view, agreed to amend their application. The application was amended and finally assumed this form:

> The application of the Beauharnois Light, Heat and Power Company now pending before the governor in council is purely and simply for the approval of plans for hydraulic development which will be subject to a condition that not more than 40,000 cubic feet per second shall be diverted from the river—from lake St. Francis to be returned to lake St. Louis and used for power purposes by the company between these two points: and any condition that the government may exact, in any wording satisfactory to the government, involving that limitation is accepted in advance by the applicant. If the engineers think that the plans should be altered to meet this declaration the company will submit to any such alteration.

It is beyond question that the amended application of the company was for the purpose of securing from the Dominion govern-

ment authority to proceed with a hydraulic development which included the right to divert water through the canal the use of this water to produce power, and the approval of the remedial works; the company being specifically limited, however, to a maximum diversion and use of 40,000 cubic feet per second.

The government had no authority to receive or to approve of this application under the powers conferred on it by the Navigable Waters Act or any other act, and of this I am satisfied that some members of the then government should have been aware.

The government in receiving and granting this application conferred on their friends no rights whatsoever. The order in council is illegal because, let me repeat, the government had no authority under the Navigable Waters Act to grant the right to divert and use this water for power development, and the whole Beauharnois development is without real legal foundation and contrary to the laws and treaty obligations of Canada.

But there is another serious aspect to this situation and of immediate interest to the people of Canada as a whole. By one of the terms of the lease of imaginary and wholly non-existent rights which this company secured from the province of Quebec, the company acquired a lease of:

> The rights of the province of Quebec to such part of the hydraulic powers of the St. Lawrence river that can be developed between lake St. Francis and lake St. Louis, through a derivation canal on the right (southern) shore, having a maximum flowing capacity of 40,000 cubic feet per second, the province reserving the ownership and free disposition of the surplus.

Their lease, size of their canal, the order in council, their plans filed, all absolutely limit them to a diversion of 40,000 cubic feet per second.

Does this lease and the order in council represent the honest and real intentions of those concerned? Was it an honest transaction? What are the real facts? Scarcely had the ink dried on this order in council when these very same promoters proceeded to violate not only the letter but the very spirit of the provincial lease and of the order in council. They prepared plans that provided for the diversion of the whole flow of the river; they sold their bonds on the representation that they would eventually get the whole flow; and they are now building without authority a canal which will take the whole flow of the river. Further, they have acquired 13,000 cubic feet from the Montreal Cottons. To add insult to injury, they have secured this past winter 30,000 additional cubic feet from Quebec, and are awaiting a favourable opportunity to ask for another order in council from this government.

It is apparent the then government and these Beauharnois promoters entered into an agreement which they never intended should be carried out. I say the then government was not evidently sincere in limiting the diversion to 40,000 cubic feet, because it is plainly evident from subsequent events that they knew when they imposed this limitation on the company that neither they nor the company ever intended to abide by the terms of this order in council, a single condition of which, designed to protect the people, has not been observed or enforced. Later in the same year a second order in council was passed giving to this company the right to divert this 13,000 cubic feet which they had bought from Montreal Cottons.

Mr. EULER: When?

Mr. GARDINER: Late in 1929. I have the evidence under my hand. You see therefore, Mr. Speaker, that when the first order in council was passed it was quite evident that the promoters were not satisfied that they were going to be limited to 40,000 cubic feet. Therefore, when they had an opportunity of securing a further order in council which permitted them to acquire this 13,000 cubic feet, they proceeded to do so, and the government obliged them in that regard. I am afraid, Mr. Speaker, that the government of the right hon. the leader of the opposition was unfortunate, in a measure, in somewhat misleading the people of this country in the passing of this order in council, P.C. 422.

The Dominion government and these Beauharnois promoters were either guilty of conspiracy or the government was negligent in respect to the duty it owed to the people of Canada to maintain for the people their possessions and in preventing these from being stolen or illegally acquired by others.

But there are other matters to consider. I ask the Prime Minister, fully believing that he has given this subject serious consideration since May 22 last, if there is any doubt in his mind as to the illegality of the foundation of this whole Beauharnois development from its very inception? And more especially so, as a result of the Montreal Cottons deal and in view of the action of the Quebec government in attempting to grant the company a lease of the power resulting from an additional 30,000 cubic feet which

means, coupled with other facts, that the company will continue to secure additional water until the whole St. Lawrence river between lake St. Francis and lake St. Louis is dewatered and flows through the Beauharnois canal, or, as the corporation's advertisements say, "forms a new river." I, for one, have no doubts about it.

In addition to this serious phase of the situation we have the amazing spectacle of a number of members of the Senate, all appointed by the former Prime Minister, no doubt in his efforts to reform that august body, identified with this transaction by which they and the other promoters of this enterprise were able to secure possession of the national domain to the nauseating extent of hundreds of millions of dollars, without having one dollar of their own money invested in the enterprise and without giving to the people of Canada one actual dollar's worth of value for the concession. They may say "we are giving the people of Canada a ship canal 600 feet wide, 28 feet deep and 15 miles long." Mr. Speaker, that is an outrageous lie. What deception! An investigation will show that they had to dig this power ditch that size in order to get the necessary quantity of water for their power production; even their literature says so. It was not dug at all, as they and the then government represented, for a navigation canal and given to the people.

If there is any doubt about this deception will the right hon. the Prime Minister and will the right hon. the leader of the opposition explain to the people of this country why it is necessary to have the Beauharnois canal 600 feet wide when the Welland canal which is to form part of the deep seaway is only 310 feet wide? I challenge contradiction and proof thereof, of this statement.

The association of these senators with this enterprise does not make for good government, nor does it tend to create confidence in the minds of the people of Canada in governmental institutions, and no greater danger confronts us to-day than the loss of such confidence. The circumstances which resulted in these senators becoming identified with this enterprise must be inquired into. Senator McDougald was a member of the national advisory committee on the St. Lawrence waterway. The committee reported to the government on January 11th, 1928. This report was divided in two parts—a majority report and a minority report. Senator McDougald was found among those who subscribed to the majority report. This is what Senator McDougald, with others, reported and advised the government to do on January 11th, 1928, page 19, paragraph 4:

> We believe that the first concern of this committee should be, and of the government will be, the national aspects of the proposed undertaking, and we regard it as most desirable that the initial development take place in the purely domestic section of the river lying within the province of Quebec. We believe that if a reasonable time were permitted in which to enable the resultant power to be economically absorbed the development of this national section would be undertaken by private agencies able and willing to finance the entire work including the necessary canalization, in return for the right to develop the power.

Hon. gentlemen will note the date, January 11, 1928. On April 18, 1928, the Globe and the Mail and Empire published certain articles suggesting, among other things, that Senator McDougald was interested in the Beauharnois Power Company, the Mail and Empire adding a suspicion that Senator McDougald was one of the three men on the advisory committee who advised the government to develop the national section first by private agencies. Senator McDougald felt it necessary to rise in his seat in the Senate on the 19th of April, 1928, and, to use his own language, repel the above implication reflecting on his honour and integrity both as a member of the Senate and as a private citizen. His remarks in respect to the Globe are reported in Hansard as follows:

> I want to say here, and to say it with emphasis, that I do not own a dollar's worth of stock in this enterprise, and have no interest in or association with that company in any way, shape or form.

And further:

> Speaking for myself, I want to make a further positive and absolute denial of the implications and suspicions of the Mail and Empire. So far as I myself am concerned I cannot add too much emphasis to my denial of the suspicions and aspersions which these despatches have cast upon me as a member of the advisory committee, as a member of this honourable body and as a private citizen. Perhaps I may take some slight comfort from the fact that this sort of thing seems to be one of the ordinary penalties of public life.

The people of Canada to-day are asking if that statement made by Senator McDougald is true. If it is not true, then Senator McDougald deliberately deceived the Senate and the people of Canada. I am simply going to state the facts which are known to the public. Senator McDougald was interested in the promotion of the Beauharnois Light, Heat and Power Company in 1927 before the legislative assembly of the prov-

ince of Quebec. The company subsequently, in 1928, again applied for and succeeded in getting a revision of its charter. In 1929 the company came to the Dominion government and succeeded in securing the passage of order in council P.C. 422. In October, 1929, the Beauharnois Corporation Limited purchased from the Beauharnois syndicate the shares of the Beauharnois Light, Heat and Power Company. The members of the Beauharnois syndicate received for each unit they held forty shares of the corporation stock and $150 in cash. I have this information before me in a document entitled The Financial Post Survey of Corporation Securities. Senator McDougald received 208,000 Class A common shares and $780,000 in cash from the Beauharnois syndicate for his share in an enterprise which several months previously he had disclaimed any interest in or association with. I have also under my hand documentary evidence as to the allocation of these shares, because I have had the share registers searched, and I have an affidavit under my hand as to the result of the search. He received securities valued, according to their prospectus, at over $30,000,000. That is the statement they make in their prospectus, that the potential value of these 208,000 shares is over $30,000,000.

An hon. MEMBER: Potential.

Mr. GARDINER: That is what they state, and they have given the figures to show it, too.

Mr. GARLAND (Bow River): They are conservative in their estimates.

Mr. EULER: May I ask my hon. friend a question?

Mr. GARDINER: I do not want to be interrupted, but the hon. member may proceed with his question.

Mr. EULER: All right.

Mr. GARDINER: Senator McDougald is the chairman of the enterprise. He is also one of the three members who have complete charge of it for the next ten years. What do hon. members think and what will the country think of the facts surrounding Senator McDougald's connection with this enterprise? If it was a reflection on his honour and integrity as a member of the Senate or as a private individual to be suspected of or referred to as being interested in the Beauharnois Company on April 19, 1928, the Canadian people are wondering just what bearing his present position will have in this respect.

Furthermore, the press despatches carry the startling news that these same gentlemen have been accused of corrupting the administration of justice in the province of Quebec in relation to certain matters in dispute between themselves and another company, in whose affairs I have not the slightest personal interest. A dispute arose between the Beauharnois company and this other company, with the result that a lawsuit was started in the courts in the city of Montreal. As to the outcome of the lawsuit I am, of course, entirely disinterested. But in the course of the proceedings last winter Chief Justice Greenshields—one of whose relatives is identified with the Beauharnois corporation—interfered with the trial, as stated in the press, by withdrawing Mr. Justice Patterson, the trial judge who had started the hearing of the case, and substituting in his place Mr. Justice Boyer.

Mr. JACOBS: Mr. Speaker, the hon. member is making an attack upon the Chief Justice of the province of Quebec.

Mr. GARDINER: No, I am not.

Mr. LAVERGNE: He is not the Chief Justice of the province of Quebec anyway.

Mr. JACOBS: He is acting as such. The hon. gentleman must not be allowed to proceed with his attack.

Mr. BENNETT: Mr. Speaker, some years ago I drew attention to a similar case. I have followed the hon. member with great care and I notice he said "as stated in the press." If he quotes from the press he is not making an attack against the judge. The former Speaker ruled against me when I raised the question in the course of an attack made by the hon. member for Labelle (Mr Bourassa) on the late Lord Chancellor Cave.

Mr. JACOBS: Does that make it correct?

Mr. BENNETT: No, but that was the ruling of the Speaker at that time.

Mr. GARDINER: Mr. Speaker, I have the press reports before me from which I drew my information.

Mr. BENNETT: I think the hon. gentleman would be well advised to leave out any reference to the judges of this country, but I cannot control his speech. If he had made the statement on his own authority I certainly think it would be the duty of the Prime Minister of the day to challenge the statement and draw the attention of His Honour to it; but he said—I followed him with extreme care—"as stated in the press."

Mr. LAPOINTE: Does my hon. friend suggest that an hon. member can attack the judiciary merely by referring to attacks in the press?

Mr. BENNETT: Far from it. I am merely pointing out that on a former occasion, like the hon. member for Cartier (Mr. Jacobs) now, I felt it my business as a lawyer to interpose, but the Speaker ruled against me. The attack on that occasion was against Lord Chancellor Cave—a much worse attack than this.

Mr. LAPOINTE: But that is different from an attack on a present member of the judiciary in this country.

Mr. GARDINER: I think if hon. members will wait until I have concluded what I desire to say on this point it will clear the matter up.

Mr. JACOBS: No, we will have the ruling of the Speaker.

Mr. BENNETT: I suggest, Mr. Speaker, that the hon. gentleman would be well advised to leave out any reference to the judges of this country. It does not strengthen his case or add to the dignity of the discussion so to refer to the judiciary.

Mr. SPEAKER: The hon. member must not cast reflections upon the judiciary. It is not any more in order to read a newspaper attack than to make the attack first hand.

Mr. GARDINER: In explanation, Mr. Speaker, may I say that I have never cast any reflection upon any judge in anything that I have stated to-day. I am merely calling attention to a situation that should be investigated and cleared up.

Mr. BENNETT: That is not the way to do it.

Mr. GARDINER: Well, the circumstances surrounding the removal of Mr. Justice Patterson by Chief Justice Greenshields led the counsel who was acting for the plaintiff to protest in open court against what he characterized as an improper interference with the administration of justice.

Mr. JACOBS: Are we going to listen to this after the ruling made by your Honour?

Mr. GARDINER: I am speaking of the charges made by counsel in open court.

Mr. JACOBS: There is a way of attacking the judiciary.

[Mr. Bennett.]

Mr. SPEAKER: In Beauchesne's Parliamentary Rules and Forms, quoting Bourinot, under standing order 41, will be found the following:

> 293. (j) Members are prohibited from casting reflections upon the conduct of judges of superior courts unless such conduct is based upon a substantive motion.

It is further dealt with in paragraph 305 under this standing order:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attack and censure have always been considered unparliamentary, and the Speakers of the British and Canadian houses have always treated them as breaches of order. Members have even been interrupted in committees of the whole by the chairman when they have cast an imputation upon a judicial proceeding. The proper course for persons who feel called upon to attack the conduct of a judge is to proceed by way of a petition in which all the allegations are specifically stated so that the person accused may have full opportunity to answer the charges presented against him.

I hope the hon. member for Acadia (Mr. Gardiner) will keep these rules in view.

Mr. GARDINER: Mr. Speaker, a certain accusation was made in open court by the counsel for one of the parties to the action. I am not saying whether his accusation is well-founded or not, but I do say that this is a situation which must be cleared up. Some action should be taken, first of all, to find out whether the counsel was correct in the statement he made in open court before Chief Justice Greenshields. If on investigation it is found that he was making an incorrect statement he should be punished. That is what I am coming to.

Mr. BENNETT: That is a provincial court; that is not this parliament. Further, was there not an appeal taken in that case and was the appeal not disallowed? I am only speaking from memory, because I do not follow all the proceedings in the courts, but if that is the case, surely this house can only deal with an allegation against any judge in the manner and form provided by law that is by impeachment, and not in the manner which has been adopted by the hon. gentleman.

Mr. GARDINER: I have made all the remarks I desire to make in that connection. It does appear to me, however, that this is a matter which should be investigated, to see whether or not it is correct. I stated that our judges should be protected from persons making statements which they cannot substantiate, and that is my attitude in the

whole matter. Hon. members are absolutely wrong when they make the statement that I am attacking a judge.

When a member of parliament profits by the exploitation of the public domain, Mr. Speaker, to the extent of approximately $30,000,000, and when this exploitation is only made possible—

Mr. MERCIER (St. Henri): What does the hon. gentleman mean by a member of parliament.

Mr. GARDINER: I said a member of parliament; I did not say a member of this house. When this exploitation was only made possible by concessions granted by a government at the head of which was one of his intimate friends, the right hon. leader of the opposition, then Prime Minister, a situation is created which demands the most far-reaching and thorough judicial investigation. To neglect or refuse this investigation will forever destroy the confidence of the public in the integrity of the House of Commons and of the Senate. Furthermore, to neglect this demand for judicial investigation will forever identify the Prime Minister as a party to the machinations of this group. Perhaps I can do no better than put it in the words used by the hon. member for South Toronto (Mr. Geary) last year, in speaking on this question. He said:

> I would like to ask the government to consider whether it is not now in the position of lending itself to the schemes of these promoters.

Furthermore, in view of the fact that this same company of promoters saw fit to acquire from the province of Quebec the right—which I submit is ultra vires—to enlarge their canal from six arpents to twenty-one arpents, after this order in council was passed, it becomes doubly apparent to the people of Canada that the government of the right hon. Prime Minister in particular will have lent themselves to these schemes if it fails to conduct an investigation, to stop this work at once, take over this development and declare it to be a work for the general advantage of Canada.

I asked the Prime Minister if he would produce the report which he secured last fall as a result of the departmental investigation which he ordered. The right hon. gentleman refused to produce this report, taking advantage of the old doctrine that this report was privileged and that it was not in the best interests of the people that it should be produced. I say to the right hon. Prime Minister with the greatest respect that he was wrong in taking that position. That report will disclose the utter fraud of these promoters in inducing the then government to pass order in council P.C. 422, dated March 8, 1929, because in that order in council the company is limited then and for the future to a canal six arpents or 1,100 feet wide, and this report discloses amongst other evidences of fraud the fact that they are building a canal twenty-one arpents or approximately 4,000 feet wide. I ask the right hon. Prime Minister if this statement is not true. If it is true, what explanation has he to make of his action in withholding from the people of this country the knowledge that this company has deliberately disobeyed the order in council, and in withholding from the people the certain knowledge that this canal company is now building a canal wide enough to absorb the whole flow of the St. Lawrence river instead of 40,000 cubic feet? I am sure the people of this country will feel very much aggrieved.

I have under my hand indisputable evidence that this company acquired from the province of Quebec, the imaginary right to build this 4,000 foot canal on March 20, 1930, over one year after P.C. 422 was passed, and that they are building a canal the plans of which never have been approved, a canal totally and entirely different from the canal referred to in and approved by the order in council. The people of this country are asking and demanding to know all the facts in connection with this Beauharnois development. They are demanding the reason why it was possible for the government of the right hon. leader of the opposition to have granted certain concessions whereby the Beauharnois promoters were able to make such vast and staggering profits out of the public domain. They are demanding to know how it was possible for certain members of the Senate, who are intimate friends of the right hon. leader of the opposition, to acquire the public domain to the extent of tens of millions of dollars, without giving anything in return.

Mr. MACKENZIE KING: Now, Mr. Speaker, my hon. friend is going a little too far. He is not only reflecting upon members of the other house who are not in a position to speak for themselves, but he is now attempting to reflect upon members of this house. I would draw your attention, Mr. Speaker, to standing order 41, which says:

> No member shall speak disrespectfully of His Majesty, nor of any of the royal family; nor of the governor or person administering the

government of Canada; nor use offensive words against either house, or against any member thereof. No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

My hon. friend's remarks this afternoon, for the most part, have been in the nature of reflections, not merely upon individuals but upon both Houses of Parliament as well. He has reflected upon the judiciary, and upon members of the Senate, and now he is reflecting upon members of the House of Commons. As a parliamentarian he knows as well as anybody else that if he has a charge to make against any person and wishes an investigation, all he has to do as an hon. member is to stand up in his place and say he is prepared to make a charge and is ready to put his seat in jeopardy in order to prove it. If he will make a statement of that kind with regard to any hon. member or if he will make a specific charge against any individual, I will join him in asking the government to see that there is the fullest investigation carried on, but unless he is prepared to put his own seat in jeopardy and deal with the matter in an open, manly and parliamentary way, he should not be permitted to violate the rules of the house in this way.

Mr. SPEAKER: The hon. member for Acadia (Mr. Gardiner) will not be greatly handicapped in stating the facts and the circumstances which exist without making reflections upon those who were perhaps responsible for the state of affairs.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: I intend to say just what I did say, without any reflection on anyone or without insinuating that this house or any member of this house is in any way responsible for what the hon. member for Acadia is complaining of. I do suggest to him. however, that he can make his statements of fact without casting reflections upon anyone, or contravening the rules in this regard.

Mr. GARDINER: I intend to make my statement of fact as best I can. In my judgment I did not cast any reflections upon the right hon. leader of the opposition. I stated merely that the leader of the opposition (Mr. Mackenzie King) was a close personal friend of Senator McDougald, and I believe that statement is correct. I do not think that is any reflection.

Mr. MACKENZIE KING: I am a close personal friend of the hon. member for Acadia (Mr. Gardiner) but I would not stoop to make insinuations of the character which he is making at the present time.

[Mr. Mackenzie King.]

Mr. GARDINER: Mr. Speaker, I am afraid that my time has nearly elapsed.

Mr. MERCIER (St. Henri): The hon. member should make his suggestion.

Some hon. MEMBERS: Order.

Mr. MERCIER (St. Henri): No hon. member is allowed to read his speech.

An hon. MEMBER: You read all of yours.

Mr. GARDINER: The hon. gentleman does not know the difference between an hon. member reading his speech and following his notes closely. As I stated before, I do not know how much time I have left and I will close my remarks with an appeal to the Prime Minister.

I realize that this is a very important matter. A year ago the Prime Minister felt it was his duty as the then leader of the opposition to suggest a judicial investigation. I realize that I am placing a mess on the doorstep of the Prime Minister, but I think that mess should be investigated and cleared up at the earliest possible moment. I have considerable evidence under my hand to which time will not permit me to refer. A commission should be appointed and I would be very pleased to go before such a commission and give the evidence in my possession of this whole transaction. The matter is too important for this government to permit it to go any further. I ask the Prime Minister and his colleagues to order an investigation of this matter as soon as is humanly possible.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the question raised by the hon. member for Acadia (Mr. Gardiner) is one of great national importance. The St. Lawrence river is more than a river, it is the most important waterway in Canada and one of the most important waterways in the world. The Beauharnois canal enterprise was brought to the attention of this house last year and I made certain observations at that time as to my appreciation of the importance of the matter and of the desirability of the facts being known to the public because of the allegations then made. However, I pointed out that securities had been sold and were in the hands of innocent purchasers. Upon the advent of this government to power and before I went to England I arranged that certain information should be obtained and on my return that information was available. I stated the other day that I did not believe it was in the public interest to bring that information down because it was only what one might term an interim report.

The St. Lawrence river is undoubtedly being dewatered if the cubic feet per second provided for by the original lease granted to the company by the province of Quebec, plus the leave to take 30,000 second feet additional is given effect to. The river is being dewatered and the water turned into a canal which is not being built as a canal but as a communication between two lakes formerly provided by the river itself.

Mr. STEWART (Edmonton): That would total 70,000 second feet?

Mr. BENNETT: Yes, that would be the result of the two grants. I have steadily endeavoured, without in any sense being hurried, to secure additional information with respect to the matter. I have been furnished with the opinions of leading counsel that under the Navigable Waters' Protection Act there is power to do certain things and that the jurisdiction of the federal government in the premises is solely as defined by that statute. I have not had time to consider these opinions in detail but when the hon. gentleman says that the canal is larger than was provided for by the order in council issued by the late government he is stating the fact; the engineers' report clearly indicates that.

I deprecate very greatly the references made by my hon. friend to the judiciary. I do not think it serves any useful purpose at this time, although perhaps it may serve one purpose. The government is of the opinion that from the facts which have been stated in this house both last year and this year, an investigation into this matter should take place without delay. I propose to prepare a motion to submit this question either to the consideration of the standing committee on banking and commerce or to a select committee to be appointed by the house. The hon. member may indicate in what terms he would like the order of reference to be made and I promise him that the government will give to his suggestions its closest attention and consideration. The matter is too important even when considered from the standpoint that it only concerns differences between individuals or what profit individuals may or may not make, to be allowed to remain as it now stands. Without anticipating what may be said or making any aspersions upon the good faith or interest of those who have been engaged in the undertaking, we will prepare the necessary motion to submit the matter either to a standing or a select committee of this house.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, it is with considerable pleasure and satisfaction that I have listened to the promise of the Prime Minister (Mr. Bennett). I had felt for some time that the departmental investigation which was undertaken and which he now refers to as an interim investigation was hardly in keeping with the promise made to the house last year of a full judicial inquiry. While we may be satisfied for the time being with an inquiry by a committee of parliament—I understood the right hon. member to suggest a committee of parliament?

Mr. BENNETT: Yes, I said either a standing committee or a select committee. Parliament is in session and the observations made this afternoon with respect to the judiciary make it impossible to impose upon any judge of this country a burden which under the statutes he is not required to assume.

Mr. GARLAND (Bow River): I am inclined to believe that an investigation by parliament might on the whole be even more satisfactory than a judicial inquiry, although it is quite possible that a judicial inquiry may arise out of the investigation by the committee.

The right hon. gentleman who has just taken his seat referred to the Navigable Waters Protection Act as being the authority under which the order in council was passed which permitted the diverting of these waters by the Beauharnois Light, Heat and Power Company. I submit that there is not a single line, sentence or section in that statute which gave the late government power to divert this water. I have examined the matter somewhat closely, and I find the different events appearing in a regular fashion. The order in council P.C. 422 at the bottom of page 1 refers to the lease granted. This was referred to by the hon. member for Acadia (Mr. Gardiner) and reads as follows:

> The rights of the province of Quebec to such part of the hydraulic powers of the St. Lawrence river that can be developed between lake St. Francis and lake St. Louis through a derivation canal on the right (southern) shore, having a maximum flowing capacity of 40,000 cubic feet per second, the province reserving the ownership and the free disposition of the surplus.

To put it in simpler language, all that this part purported to do was to lease to the company 500,000 horse-power to be developed from the St. Lawrence river between the two lakes which I mentioned. Before that power could be developed, it was necessary for the

company to secure certain other things somewhere else, and so the company came not to parliament, but to the Dominion government and secured the passage of the order in council to which reference has been made. Let us look at the order in council and find out what they asked for. They asked for the following:

First: approval of the proposed development.

Second: in connection therewith they applied for all such authority from the Dominion government as might be necessary to divert water.

Third: they applied for authority to use an "initial" flow of 40,000 cubic feet per second, pursuant to the provisions of section 5 of the Navigable Waters Protection Act.

Fourth: the company applied for approval of the plans and site of works to be constructed in the St. Lawrence river with respect to the diversion of the flow of water mentioned above.

Fifth: After the happening of certain events and the doing of certain things, the company was to have the right to enlarge its canal and divert through it and utilize for the development of power all the flow of the St. Lawrence river, if their original application had been granted.

All of the original application is embodied in the order in council, and the only alteration that has been made in it is in the amended application which is also in the order in council. The amended application limited the flow to an actual and final flow of 40,000 cubic feet per second. I wonder whether hon. gentlemen realize the implication of that. The company had asked for the right to launch a project for the development eventually of the entire power of the St. Lawrence river. They amended that application, and in the amendment they said in effect: Very well, since the objections have arisen, we shall content ourselves with applying for only 40,000 cubic feet. That is all they got; that is all the order in council purported to give them. As has already been said, they have gone ahead and prepared plans and done actual work for the production of more power than that, but that is aside from this particular point. This amended application was really brought about by the refusal of the late government to grant this company power to divert the whole flow. The company amended their application on representations made. The amended application reads at page 5:

> The application of the Beauharnois Light, Heat and Power Company now pending before the governor in council is purely and simply for the approval of plans for hydraulic development which will be subject to a condition that not more than 40,000 cubic feet per second shall be diverted from the river—from lake St. Francis, to be returned to lake St. Louis, and used for power purposes by the company between these two ponts; and any condition that the government may exact, in any wording satisfactory to the government, involving that limitation, is accepted in advance by the applicant.

In the amended application there is not a word regarding navigation; it deals solely with power.

Therefore we now arrive at this point where we can ascertain and determine what the Dominion government undertook to accomplish by this order in council. We ascertain this:

First: they approved the hydraulic development.

Second: they approved the plans of the company for the proposed hydraulic development.

Third: they assumed the power to grant to the company the right to divert water from the St. Lawrence river through the proposed canal.

Fourth: they attempted to grant to the company the right to divert a total flow of 40,000 cubic feet of water per second from the St. Lawrence through this canal.

Fifth: they approved the plans and site of the company for remedial works that became necessary as a result of such hydraulic development, the remedial works being that part of the development which necessarily had to be constructed in the St. Lawrence river itself.

Sixth: in the amended application, the company applied for the use of a flow of 40,000 cubic feet. That means they asked the Dominion government to grant them the right to the use of 40,000 cubic feet of water for the production of water power.

I assert again that the Navigable Waters Protection Act does not give any government authority to authorize the diversion and use of 40,000 cubic feet or 50,000 cubic feet or any flow from the river.

Mr. EULER: It is quite useless without that power.

Mr. GARLAND (Bow River): The authority to grant this is vested somewhere, but that authority is certainly not vested in the executive council; it is not vested in the government. It is vested, as I shall show in parliament itself, and only by act of parliament could these alleged rights or privileges be extended, because there is no legislative sanction or authority for what has already been done. I

submit that most respectfully. In order to make this clear, let us examine the Navigable Waters Protection Act. "Work" is clearly defined in section 2 whereby work is said to include:

> any bridge, boom, dam, aboiteau, wharf, dock, pier, or other structure, tunnel or pipe, or telegraph or power cable or wire and the approaches or other works necessary or appurtenant thereto, or any work, structure or device, whether similar in character to the foregoing or not, which may interfere with navigation.

Section 4, which is really the purpose of the act, enacts:

> No work shall be built or placed in, upon, over, under, through or across any navigable water unless the site thereof has been approved by the governor in council, nor unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council.

It will be seen that first of all the works are clearly defined. They must be works of such a character that they involve one or both banks of the river. Secondly, they must be in the river or across the river or under the river, or, in short, between the two banks of the river. By what stretch of the imagination can it be argued that the act under which this authority is incorrectly claimed, gave the government power to authorize the diversion of water and to sanction the plans for the construction of a development which for its greater part is a long distance from the river? Of course I am not a lawyer and that may be my excuse in this connection, but I cannot understand where one can find in any section of the act any authority whatever for the passing of the order in council. There is no question that the proper authority, as I said a moment ago, is parliament. This whole matter should have come before us as an act of parliament. It should have been dealt with by the house and not by order in council.

In connection with this there are other points that might be taken up. It might be argued, for example, that the government had the right to give sanction to or approve plans for the works. The remedial works only could be involved, and remedial works in this case mean works in the river. Remedial works are not the canal, but this order in council purports to give sanction for plans for the creation of a canal, its curvature, depth, width, breadth and all the rest of it. In my opinion—and I am only a layman—my reading of the act would indicate that the government had no right whatever to approve plans for this canal. They could approve remedial plans in the river itself if such plans were proper to the undertaking and satisfactorily safeguarded navigation, but that is the limit to which the government could have gone under the Navigable Waters Protection Act. Let us examine that phase of the matter for a moment.

The plans for the remedial works have, in my opinion, and so far as the evidence to my hand goes, never yet been sanctioned. I doubt very much whether the Prime Minister or the Minister of Public Works can inform the house that satisfactory plans for remedial works have ever been placed before the department. They certainly were not sanctioned by the order in council, for the order in council itself points out that the plans already submitted—

Mr. BENNETT: No plans of any shape or form in connection with Beauharnois have been approved by this administration.

Mr. GARLAND (Bow River): I am glad to hear that. I could hardly understand how an administration that took cognizance of the legal facts in connection with this matter could approve of these plans for remedial works. On page 6 of the order in council I find the following:

> With respect to the effect of works on river or rapids navigation—

That is the remedial works:

> —the committee—

That is, I imagine, the committee of the cabinet:

> —finds that the diversion of 40,000 cubic feet per second will adversely affect navigation in the Soulanges section and that the works proposed by the company for rectification purposes in this section are not satisfactory.

Could language be clearer? In the order in council itself reference is made to the plans submitted and referred to on page 3 at the bottom of the first paragraph of the present application of the Beauharnois company, these plans consisting of twelve sheets of description. These are the plans to which the order in council refers, and the order in council says that the plans now submitted, and upon which the order in council is presumed to be based, are not of a kind that are satisfactory and that they will not protect navigation. Then it goes further and says:

> The committee finds, however, that with modifications therein there is a reasonable likelihood of the present condition being largely recovered. It is pointed out by the committee that these works are largely experimental, are relatively costly, and, in view of the possibility of the balance of power being developed in a short time, the expenditure involved is likely to be lost before many years.

Mr. EULER: Is the hon. member not aware that the engineers passed upon the question whether the diversion of 40,000 cubic feet per second would interfere with the navigation of the stream?

Mr. GARLAND (Bow River): All I know is that under the authority of the Navigable Waters' Protection Act the plans approved should have been without question sufficient to protect the navigation rights of the St. Lawrence, but in the order in council itself it is admitted that at the very best, in the opinion of the engineers, it is "reasonably likely" that the interference with navigation may be "largely recovered." That is the position with respect to the remedial works in the St. Lawrence. As a matter of fact, it may easily be contended that not even the Navigable Waters' Protection Act gives the government power to approve of plans of the character that would be necessary to an enterprise of this kind. Apparently there is no certainty in the minds of the engineers of the department that any remedial works will be satisfactory or that navigation will be fully and properly protected.

I say, then, that the whole basis upon which the Beauharnois development is now being proceeded with is illegal, that it has no foundation or authority in any statute whatever, and that the government had no jurisdiction for passing the order in council; certainly no jurisdiction can be found in my reading of the Navigable Waters' Protection Act, and, under this development, unfortunately, a gigantic alienation of the natural resources of this country to private interests for exploitation is taking place under the monstrous financial scheme that was fully disclosed to the house last year.

Mr. STEWART (Edmonton): Is the argument of the hon. gentleman that the government had no authority by order in council to agree to this diversion because it is not specifically mentioned in the section of the Navigable Waters' Protection Act which my hon. friend read?

Mr. GARLAND (Bow River): All that the Navigable Waters' Protection Act gives the government power to do is to approve of certain works in navigable waters, "in, upon, over, under, through or across any navigable water." That is all.

Mr. JACOBS: Does not the hon. gentleman know that the St. Lawrence river at that point does not belong to the Dominion of Canada at all, but belongs to the province of Quebec?

Mr. GARLAND (Bow River): I cannot for the life of me see what the point of my hon. friend's question is. It has no relation whatever to the subject matter of my discussion.

Mr. JACOBS: I think it has.

Mr. GARLAND (Bow River): I am discussing the order in council passed by the late government giving certain interests power to divert water through the medium of works without authority for the diversion of such water and without having proper plans filed and approved.

Mr. JACOBS: The Dominion government has power merely to protect the navigability of the river, nothing more.

Mr. BENNETT: If the hon. gentleman would add to his statement this, to divert water the property of the crown in the right of the province of Quebec for which they have received a licence, it would be complete.

Mr. GARLAND (Bow River): On that point we might debate for days, because, as the right hon. gentleman himself pointed out in the debate last year, the order in council itself casts serious doubt upon the ownership of the power by the province of Quebec.

Mr. BENNETT: Oh yes, of the power.

Mr. GARLAND (Bow River): And therefore of the water. If the late government was justified in authorizing the diversion of water for the production of power, then it may be argued they owned the water.

Mr. JACOBS: Merely the navigability of the water, and nothing else.

Mr. GARLAND (Bow River): It is open to argument whether it owned the water, and thereby the power also. The supreme court judgment left the whole matter entirely in the air. The court refused to make a decision one way or the other on the question referred to it, and to this day neither this house nor the province of Quebec nor anyone in this country knows to whom the power that may be developed on the St. Lawrence river belongs. Not a soul in this country can say: Here we have legislative, statutory or judicial authority stating that we alone own the power. Nobody knows. Why the order in council itself in one of its clauses on page 5 points out:

> That in view of the combination of the two questions of power and navigation, it was deemed advisable to refer to the Supreme Court of Canada a series of questions to the end of determining the respective rights of the Dominion and provincial governments in the development of power.

The order in council says:

The supreme court has recently submitted the result of its consideration of the various questions asked. The conclusions of the court do not furnish sufficient ground to establish a well-defined line of action with respect to power.

Of course they do not. The whole thing is still undecided. If hon. gentlemen would turn to clause 21 of the conditions, found on page 10 of the order in council, they will see that it reads:

The approval hereby granted is given upon and subject to the condition that in case it should be judicially determined that His Majesty in the right of the Dominion is entitled to any of the power now or hereafter to be developed in connection with the works the subject of this approval or any works hereafter to be constructed by virtue hereof by the company or which His Majesty may construct then and in such event the company shall pay to His Majesty—

And so on. That clause can be read as meaning many things, but one thing certainly, that it was the intention, implied at least, of the government to make further examination into the ownership of the power. It says here that it is given upon and subject to the condition that in case it should be judicially determined— "in case."

Mr. BENNETT: There is a distinction between power and water; I should like my hon. friend to keep that in mind.

Mr. GARLAND (Bow River): Yes; in case it should be judicially determined. In other words, if it be argued that, in order to develop power, it is necessary to grant a diversion of the water, then you have the thing still further confused. The order in council implies that the matter has not been settled by any authority anywhere, and it implies that further examination will be made before the court in respect to ownership. And although the government had themselves, within a few days of that very time, through the Attorney General for the Dominion of Canada argued before the supreme court that the Dominion alone had the right to the power; in spite of the fact that they had prepared an extensive and expensive factum which was signed by many legal authorities, including the former Solicitor General: in spite of that fact the Solicitor General of the late administration himself rose in the house, a few days after having contended in the court that the Dominion had the power, and challenging hon. members on this side, argued that the province of Quebec owned the power and should be given authority—a most absurd and ridiculous position to be placed in.

Mr. JACOBS: Perhaps he was merely devil's advocate.

Mr. GARLAND (Bow River): It may be that lawyers lend themselves to that sort of thing; but I submit that in both cases he was speaking or should have been speaking, in the interests of the people of the Dominion. He should have been speaking, first, as their advocate as Attorney General before the Supreme Court of Canada; and, secondly, as a minister of the crown in this house In neither capacity was he representing the interests of Quebec or the point of view he held with respect to Quebec; he should have been concerned to preserve, and contend for, the rights of the people of the whole Dominion. Does it appear that he was doing so in both cases? One day he argued in the court to the effect that, "of course, the Dominion has the power; there is nothing to the argument opposing this contention. We own this power; here is the proof." And a few days afterwards he says, "The Dominion has no jurisdiction; it is a matter for the province of Quebec." Well, Mr. Speaker, that is an additional matter that might be investigated.

I do not wish unnecessarily to prolong the debate, Mr. Speaker, because I am more than satisfied with the agreement of the Prime Minister that this whole matter should be sent to a special committee of this house. I do submit however that it certainly is time this be done. If there is one thing that the country is demanding at this time it is that the fullest possible investigation, as full as has been made in the past before a committee of the United States Senate, should be made in regard to power matters in Canada. I say without fear of contradiction, that the gigantic control, on the part of small groups of powerful financiers, of these immensely valuable natural resources upon which, as the Prime Minister said last year, the life, the welfare, the happiness and well-being of millions of people in the future depend—the right hon. member used words to that effect, I believe—is a matter of the gravest concern to the people of this Dominion. And any alienation of these resources to private interests by order in council must be investigated; we must look into such questions as cost of production of power and the prices charged the consumer. In my opinion the time is coming when, if necessary, amendments to the British North America Act must be secured in order to give this government authority to preserve the rights of the consuming public in this country. I say therefore that the narrower

and narrower, the smaller and smaller these groups become—such financial groups as the Sweezey and the Holt concerns who are now more and more controlling this great resource —the more certain is it that we must by legislative interference on the part of the Dominion of Canada protect the rights of the consuming public of the country.

It has been suggested that as third parties are now involved by the purchase of the bonds and shares certain vested rights have been created and therefore nothing can be done in connection with the matter. Let me however point out that under section 12 of the Navigable Waters Protection Act, under which the whole thing is purported to have been made possible, parliament may take action. Let me quote from the act:

> Parliament may, at any time, annul or vary any order of the governor in council made under this part.

Therefore, if it be found that the inferences I have drawn from the facts as I have set them out are correct, that this government had no legal authority for the order in council, and that the plans have not been ratified nor sanctioned—because no plans suitable to enterprises of this character could yet have been before the Department of Public Works then I say that the whole basis upon which this development has taken place is illegal and the agreement should be cancelled forthwith.

Then comes the point I suggested a moment ago, namely, the question of third party interests. We did not worry about the third party interests in the form of the taxpayers of Canada when we abandoned development at Port Nelson upon the recommendation of Mr. Palmer. The former Minister of Railways advised, and the house agreed, that the development at Nelson should be abandoned, and Fort Churchill was decided upon instead —properly and wisely in my opinion. But that involved the loss of $6,242,000 of money expended at Port Nelson. It was profitable and wise to take this course, and I venture to say it would be found profitable and wise in this instance to forget the third party interests involved especially as this Dominion is not concerned in any way, by law or otherwise, in the matter. The stock and bonds of the corporation were disposed of to certain associates of Mr. Sweezey and others through their companies, the Dominion Securities Corporation and Newman Sweezey and Company. These companies in turn sold to the public. The issue is therefore as between the public and these bond companies, not as between the public and the Dominion, nor between the public and the provinces, unless it be found that fraud has been perpetrated on the public. In that event these associates of Mr. Sweezey, and Mr. Sweezey himself, should be assailed in the courts and made to pay over the necessary amount to make good their exploitations.

If I had time, Mr. Speaker, I would direct the attention of the house to other illustrations to bear out my contention in this regard. I have in my hand the examination which was made by the Commission of Conservation of Canada with regard to Long Sault rapids, and development in connection therewith, in the St. Lawrence. Hon. gentlemen will recollect that in that case the development involved a tremendous amount of public money, and the whole project was cancelled by law. It happened in the United States, in the state of New York—not in this country—but it is an illustration of the wise action taken to protect the whole public interest even though at the sacrifice of a few investors. I certainly hope therefore that investigation before a committee of this house of the question now before us will be as full as possible.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): The proceedings of this afternoon, Mr. Speaker, illustrate better than anything that has happened thus far this session the importance of adhering in spirit and in letter to the rules which have been framed with a view to the protection of members in the course of debate, and the rights of the public to the fullest discussion of matters of public interest. To bring up a particular matter as one of urgency is permissible under the rules. It is generally conceded, however, that there must be some special ground of urgency in order to have questions discussed under that special heading; if such is lacking some other course should be followed. The question of the Beauharnois canal and matters incidental thereto is a very large question. It involves matters affecting the rights of the provinces and of the Dominion. It involves the question of the jurisdiction respectively of the Dominion and of the provinces. It involves the question of power rights which in part, as yet, are undetermined judicially, I believe. The whole question, I imagine, is as large as any likely to be brought up for discussion in this house, and yet, with the exception of the two hon. gentlemen who have spoken this afternoon, no member, so far as I am aware, had any knowledge until the time of opening the proceedings this afternoon that this question was to be brought forward to-day. I do not

assume that the hon. member for Acadia (Mr. Gardiner) advised the government in advance of what he had in mind. I know that he did not advise me in advance, until three o'clock, when I received the following note:

Ottawa, May 19, 1931.

Dear Mr. King:

I propose this afternoon to move the adjournment of the house to discuss a matter of urgent public importance, namely, the Beauharnois project.

Yours very truly,
R. Gardiner.

Mr. BENNETT: I received a similar note.

Mr. MACKENZIE KING: The Prime Minister says he received a similar communication. May I say, Mr. Speaker, that if the object of my hon. friend from Acadia had been solely that of the public interest, which he has put forward so professedly and so profusely this afternoon, I think he might have advised both the Prime Minister and myself, at least this morning, if not a day or two ago, that he intended to bring this subject up for discussion to-day. I have had no intimation from any source this year that this question was to be brought up in parliament at this session. I have known that there were present in the city two or three individuals—I do not know whether they are lawyers or not—who for motives best known to themselves have been preparing a brief on the Beauharnois case, which brief was read in this house this afternoon by the hon. member for Acadia.

Mr. GARDINER: I rise to a point of order, Mr. Speaker. I ask the leader of the opposition (Mr. Mackenzie King) to take back his statement, for it is not correct.

Mr. MACKENZIE KING: If it is not correct, Mr. Speaker, I will take it back, but it is so nearly correct that I think everyone must feel the force of it.

Mr. GARDINER: Again I rise to a point of order, Mr. Speaker. The statement the right hon. leader of the opposition has made is not "nearly correct," and I ask him to withdraw it.

Mr. MACKENZIE KING: I am quite prepared to withdraw the statement in that form, but I repeat, it is a matter of common knowledge that within the capital for the past few weeks two or three individuals have had their headquarters at the Chateau Laurier, where they have been preparing some briefs on the Beauharnois canal situation.

An hon. MEMBER: Two months.

Mr. MACKENZIE KING: For the past two months I am informed. I do not know that it is possible to state definitely just for whom the particular briefs were being prepared, but I would point out to you, Mr. Speaker, and to the house, that with respect to the speech delivered this afternoon by the hon. member for Acadia every word of it was read from a manuscript which he had upon his desk, and that manuscript has been in course of preparation for some time.

Mr. GARDINER: I rise to a point of order, Mr. Speaker. I did not read from a manuscript; I had very extended notes before me.

Mr. MACKENZIE KING: My hon. friend says he had very extended notes before him. I think he might have given to the Prime Minister and myself at least an opportunity to have, I will not say extended notes, but some knowledge in advance that this question was coming up, so that we might have been in a position to discuss intelligently some of the points raised. As I have said, the matter is very involved, and with the number of subjects which it is necessary for hon. members to carry in their minds from day to day, unless there is given some opportunity of looking up the statutes and referring to the orders in council, I do not see how any member can be expected to reply intelligently when these particular documents are referred to in debate. The hon. member for Acadia might have advised this house at any time that he was going to bring up the subject. Even if he did not wish to do so on the floor of the house, we do not live so far apart in this building that he might not have given us an intimation at least a few hours in advance that he was going to bring the question up.

Now, the fact that the hon. member has come here prepared in the fashion in which he was, and supported by the hon. member for Bow River (Mr. Garland), who also has had considerable time for the preparation of what he said to-day, I assume—I notice he does not rise to a point of order—I say the fact that although they have had ample time to prepare their speeches and have pleaded the urgency of the situation as their reason for making them, causes me to feel that there is some object other solely than the public interest which they are seeking to serve by bringing up this matter in this way at this time.

Mr. GARDINER: Mr. Speaker, I rise to a point of order.

An hon. MEMBER: You don't like to take it, do you?

Mr. GARDINER: I am ready to take anything that is coming to me right. I rise to a point of order, Mr. Speaker. The leader of the opposition has just stated that we have some ulterior motives in bringing this subject before the house. All we want is to secure an investigation by this house; we have no other motive.

Mr. DEPUTY SPEAKER: In view of the hon. member's objection I think the right hon. leader of the opposition (Mr. Mackenzie King) should withdraw his imputation.

Mr. MACKENZIE KING: No, no, Mr. Speaker, I do not propose to withdraw what I have just said.

Mr. DEPUTY SPEAKER: The right hon. gentleman knows that he must not impute motives to any hon. member.

Mr. MACKENZIE KING: I was not imputing motives, I was judging the situation in the light of what has taken place to-day, and I said if what the hon. member for Acadia had primarily in mind was a full and thorough discussion of this subject on the floor of the house to-day, we would not have been precipitated into this debate without any knowledge in advance of his intention to bring this matter up. Let me say at once that I for one am more than delighted that the Prime Minister has undertaken to grant a committee of investigation into this matter, because some of these hon. gentlemen in the far corner will then get a chance to make good some of the general statements and reflections that they have been making on the floor of the house about judges, members of parliament, and everyone else who does not happen to be one of their number.

With respect to the so-called Beauharnois project, it is advisable that it should be made perfectly clear to the house and to the country just what the relation of the federal government to this matter has been and is. As I have already said, I must ask the indulgence of the house in speaking without having had an opportunity of looking at any of the past records. I do not wish to be held too closely to technical exactness in what I am about to say. Broadly speaking, the outstanding facts, as I understand them, are these. The St. Lawrence river is, having regard to the territory through which it flows, in part, an international waterway; in part, a national waterway exclusively in the province of Quebec or in a part of the adjoining province. Where the St. Lawrence river is exclusively in the province of Quebec this parliament has not jurisdiction over the power rights or any other matters affecting the water, except in so far as there is imposed on it the obligation of safeguarding navigation under the Navigable Waters Protection Act.

May I go a step further? In order to incorporate a company such as the Beauharnois Light, Heat and Power Company, it is essential that a charter shall be obtained from the government of the province, not from the government of the Dominion. This government has given no charter to the Beauharnois company respecting power rights, nor has this parliament or any federal government given any right to the Beauharnois company with respect to power rights. Those rights have been obtained from the government of the province of Quebec. If they have been illegally obtained, or if there are matters that are not as they should be with respect to any phases of the transaction, the place in which those matters should be discussed is on the floor of the legislature of the province of Quebec and not on the floor of this parliament, though I have no objection to this parliament taking up its time with provincial matters if, even indirectly, they can be shown to have a bearing in so far as federal matters are concerned.

Mr. LAVERGNE: The St. Lawrence is not a provincial matter.

Mr. MACKENZIE KING: No, the St. Lawrence is not a provincial matter, but the St. Lawrence in the province of Quebec is regarded by that province as being within its jurisdiction so far as the granting of power rights are concerned, and those rights have been granted by the province of Quebec to this company. If the government of the province of Quebec had no authority to grant those rights then surely, under the laws of the land, there are methods of restraining the government in that particular and of preventing the granting of those rights.

Mr. WOODSWORTH: Would the Prime Minister tell us what those methods are?

Mr. MACKENZIE KING: That is a legal matter; it is not for me to explain it.

Mr. WOODSWORTH: The Prime Minister has suggested that there are methods; would he indicate them?

Mr. MACKENZIE KING: My hon. friend means leader of the opposition at this moment. I thank him.

Mr. WOODSWORTH: Yes, the leader of the opposition. I presume he had some-

thing definite in mind when he said there are methods by which this work can be stayed. I would like him to indicate what are those methods.

Mr. MACKENZIE KING: If I were an expert in the law and had been paying special attention to this phase of the question, I could answer my hon. friend offhand, but I must say to him at the moment that he will have to accept the statement, as I think he will be prepared to accept it, that if a province does a thing which it has no right to do, then under the laws of this country there are methods at law whereby the province can be restrained.

Mr. WOODSWORTH: And if the Dominion government does something it has no right to do?

Mr. MACKENZIE KING: That is equally so in regard to the Dominion government; it can be restrained under the law.

Mr. WOODSWORTH: Is not this the place to introduce the matter?

Mr. MACKENZIE KING: Yes, and I am glad my hon. friend has now brought the matter to a head. The function of the Dominion is to pass upon any power rights or diversions of water granted by provinces with respect to their not interfering with navigation. I will read the clause under which the Dominion has authority in these matters:

No work shall be built or placed in, upon, over, under, through or across any navigable water unless the site thereof has been approved by the governor in council, nor unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council.

That is the extent of the functions and duties of the federal government and of this parliament with respect to such matters as power rights and diversions of water on the St. Lawrence in connection with a company such as the Beauharnois company. The plans are submitted to the government; they are then submitted by the government to its engineers and on the technical advice which is given to the administration it acts in granting approval of those plans. But its function is confined to the approving of plans. That is what was done by order in council, and the statute says that the approval is to be given by order in council. It makes that quite clear. The government in proceeding by order in council is not usurping the functions of parliament. Parliament passed this act; parliament gave to the government or placed upon the government of the day the responsibility of approving of plans by that method, by order in council. To listen to hon. gentlemen who have spoken one would think that because the government of the day passed some order in council instead of getting an act of parliament, they had been going behind parliament in order to confer some special powers or favours upon political friends

Some hon. MEMBERS: Hear, hear.

Mr. GARDINER: At this point I should like to ask a question. Does the act give the government power to divert water?

Mr. MACKENZIE KING: I think I have made clear what the powers of the federal government are and what is the method of procedure. In all this matter the action of the government has been entirely regular Now let me read this further section, and I will ask my hon. friends who have spoken to pay particular attention:

Parliament may, at any time, annul or vary any order of the governor in council made under this part.

In other words, this order in council was passed, so far as the federal government functions in the matter, over two years ago; it was passed in March, 1929. For two years hon. members who have spoken to-day have had the right to introduce in this house a motion which would annul that order in council, and this parliament had full authority to annul it. All they had to do was to make out a case before parliament why the order in council should be annulled. They have not done that, but they have come here and have made insinuations against pretty nearly every person other than those who belong to their own particular group, as if no one in this world possessed aught in the way of integrity except themselves. I wish to say to one or two of my hon. friends in the far corner that the public will believe that hon. members of the old political parties in this country have just as fine a sense of honour and just as high a sense of integrity as members of any group in this house who may not happen to belong to one or other of those two parties. It ill behooves them, when there is a statute which was passed by parliament expressly to provide a means of dealing in a parliamentary way with a matter such as this, and when they have not availed themselves of that means, to come and make insinuations of the general character which we have had this afternoon.

I think, Mr. Speaker, that is perhaps about all it is necessary to say at this time. I hope I have made clear first of all that so far as the Beauharnois company is concerned,

it is a company which obtained its charter from the government of the province of Quebec. It obtained whatever rights it has with respect to power from the government of Quebec and obtained whatever rights it has with respect to diversion from the same government. As far as the government of Canada, whether under the old administration or the present administration, is concerned, it had nothing to do with this matter except to approve of those plans from the point of view of the protection of navigation. If there has not been the protection of navigation on the St. Lawrence in the approval granted that there should be, then certainly the administration which granted the approval without sufficiently safeguarding navigation should be criticized and taken to task in the matter. My hon. friend said this afternoon, "Why is it that you have made the canal twice as wide in Quebec as you have made the Welland canal?" My answer is that we wished to be doubly sure that the rights of navigation would be fully protected in that part of the St. Lawrence river. That is the answer to that question. There were no ulterior motives of the character which have been insinuated here this afternoon. That is the position, and may I say that I believe the public of this country, as well as hon. members of this house, will be more than gratified when this matter of the Beauharnois development and anything that can be brought up incidental to it is finally referred to a committee. There everyone will be given a chance to prove any charge he may bring, but he will be obliged to prove it not by insinuation under the privilege which he has as a member of parliament, but by evidence of a character which would be accepted in a court of law.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, in view of the very satisfactory statement of the Prime Minister (Mr. Bennett) I had hesitated to continue this discussion, but now that the leader of the opposition (Mr. Mackenzie King) has spoken, all my hesitation has vanished. He worked himself up into a righteous indignation with regard to the methods adopted by the hon. member for Acadia (Mr. Gardiner), which may or may not have been quite correct; but that is not what we are concerned with to-day. We are concerned with certain facts which we wish to lay before the house. It was only by a very narrow margin, that we were able this afternoon to bring this question before the house, and so it seems to me that we should not let slip this opportunity of informing the general public with regard to the whole situation.

I do not think the public of Canada are informed either as to the facts or as to the great issues at stake. It might well be said that the committee which has been promised will discuss the details of this matter, but on the other hand I would like to call attention to the fact that the corporation has been carrying on a very extensive and persistent publicity campaign across Canada ever since this matter was taken up a year ago. The leader of the opposition seemed to be rather surprised that the matter should come up before the house this year. In view of the charges which were made last year, and of the definite statement of the hon. member for Acadia (Mr. Gardiner) that he would bring the matter up again, I cannot quite understand why the right hon. member did not understand that it would be taken up again. Hon. members have received resolutions and letters in regard to it, and it would seem to me to be a matter of course that this question should be brought up for further discussion. The one thing I did not like in the statement of the Prime Minister was the suggestion that because securities had been sold there might be some difficulty in regard to cancellation. I think that was the idea in his mind.

Mr. BENNETT: That is correct; I stated that there were vested interests on the part of people in all parts of the American continent who had purchased securities.

Mr. WOODSWORTH: I protest against that attitude. It seems to me that if this undertaking has been illegally acquired the public who have invested in its bonds cannot be said to have a legal interest or to be entitled to legal protection. My lawyer friends tell me that if a man receives stolen property he is not given protection. I know the Prime Minister will say there is no analogy, but lawyers generally see no analogy between big steals and little steals.

Mr. BENNETT: My hon. friend's aversion to lawyers should not prompt him to make his statement so general. The courts have held that where a company is found to be ultra vires, those who expended their money in good faith believing it not to be ultra vires have a right to be protected.

Mr. WOODSWORTH: If that is the law then there should be some decided amendments, because the rights of the people should be protected. If a corporation is required only to issue a few bonds and manages in some illegal way to get its pro-

position before the public in order to be secured, it is time the country knew about it and had the necessary amendments passed. With the hon. member for Bow River (Mr. Garland) I see no reason why an annulment should not take place.

In view of what the leader of the opposition has said I should like to state my interest in this matter. I believe first of all in public ownership; that is one of my prime interests in this question. The recent administration alienated the Seven Sisters falls in spite of the protests made. I have never been convinced—

An hon. MEMBER: That was Taschereau power.

Mr. WOODSWORTH: I do not want to get into Quebec, I am in Manitoba at the present moment. The Seven Sisters falls should have remained the property of the people for the use of the people. I would direct the attention of this house to the fact that already the Insull interests have acquired a large part of the stock of the Winnipeg Electric interests. I think it is an outrage thus to alienate the patrimony which we have inherited, and turn it over to American interests.

Further, I am firmly convinced that the Beauharnois corporation is not legally entitled to the power in the St. Lawrence. That being the case it seems to me that as a public man I have to do everything in my power to call attention to the situation.

It has been suggested by the leader of the opposition that there was something sinister in the fact that certain hon. members have been working on this power proposition. I will say very frankly that I have been furnished with information by interested parties on both sides, as have, I presume, nearly all hon. members. In relation to almost every important question which comes before the house it is a common thing for us to obtain memoranda from the various parties interested. I have no hesitation in saying that I have received information in this case. I did not use any of these memoranda or documents without carefully considering them and making them my own.

It has been said that those who are opposing the actions of the corporation now in control are playing the game of a rival corporation. There is always a danger of that, but I want to state that I will be the first to protest against any irregular procedure on the part of any other corporation. I have no particular antagonism to the Beauharnois Company as such, but I protest against the irregularities connected with their obtaining this power.

Whether or not power in Quebec is Taschereau power, private power or public power, I need not argue. I maintain that the water powers in the St. Lawrence river should be under public control and if possible under public ownership. Let me direct attention to some of the legal aspects of this case. The other evening we were discussing the British North America Act and at that time, as in the past, we heard a great deal about provincial rights. I should like to take a few minutes to talk about Dominion rights, a matter about which we hear very little, although I acknowledge that we did hear something of this the other day from the Minister of Justice (Mr. Guthrie).

The claims of the Beauharnois Power Corporation are based on the original rights of the Roberts. The present undertaking is simply an extension of earlier works. If any hon. member has any doubt in regard to this matter I would refer him to the Exchequer Court Reports, volume IX The judgment appearing there gives an outline of the history of the Beauharnois power proposition. I think I will take about five minutes of my time to summarize that history.

The history of the Beauharnois begins with the Marquis of Beauharnois, owner of the seigneury of the county of Beauharnois which he acquired from King Louis of France. The marquis or his descendants erected a feeder running from lake St. Francis to the river St. Louis and drew water from lake St. Francis through the feeder for the purpose of developing power at Beauharnois to operate a mill which belonged to them. This feeder or canal was constructed early in the last century by the then seigneur of Beauharnois, through his own lands for the purpose above indicated, and from that time to the present, he and his grantees have continued to use the water supplied by the feeder for the purposes mentioned. Later in the century when the Beauharnois canal was constructed by the government of Canada it was found that it had the effect of raising the water along the south shore of lake St. Francis. To overcome this difficulty a dyke was constructed, the contract being dated March 1, 1855. This dyke crossed the feeder. The gates at the head of the feeder which the seigneur had built were removed when the dyke was constructed and replaced by gates constructed as part of the public works and which formed part of the dyke. Title was acquired in some way by the crown to the land upon which the dyke and the gates were built. This dyke and the gates were the property of the late

province of Canada, the title of which passed to the Dominion in 1867 by the British North America Act. After the construction of this dyke and head gates the seigneur remained in possession of the feeder and in disposing from time to time of mill properties on the St. Louis river, of which he was the owner, he granted to the purchasers a right to the use of the waters supplied by the feeder. This condition of affairs continued until 1882 or 1883 when the Dominion government took possession of the head gates and feeder as well as the St. Lawrence river, and made improvements on the river, deepened and improved the feeder, constructed a bridge over it and took out and rebuilt the head gates.

The Dominion government remained in possession until 1888. In that year some arrangement was arrived at between the late J. B. Robert and the government whereby he was given the keys to the head gates and allowed the use of the feeder until 1892. In the meantime he had acquired practically all the rights of mill owners in the vicinity of the feeder of the river St. Louis. In February, 1892, the government resumed possession of the feeder and control of the head gates against the will and consent of Robert who gave up the keys of the gates to avoid difficulty but without waiving any of his rights. This condition of affairs continued until 1904 when an action was brought by the Roberts against the government for possession of the head gates and feeder. This action was tried in the exchequer court and decided against the Roberts. Negotiations continued until 1909 when an agreement was reached whereby the government passed an order in council authorizing the minister of public works to lease to the Roberts the head gates, feeder and the use of the water to be diverted to the feeder for the production of power at and for the sum of one dollar per year.

In 1902 the Roberts incorporated the Beauharnois Light, Heat & Power Company, to which they transferred certain of their rights. In 1910 the agreement with the government referred to was assigned to this company, which has continued to lease the head gates, the feeder and the water, paying to the government the agreed rental. This condition of affairs has continued up to the present time.

I have summarized that statement from the judgment in order that the house may have something of a background, and also to reinforce my statement that to-day all the extensions that have been made and the powers claimed go back to the original rights of the Roberts. That is clearly recognized from

[Mr. Woodsworth.]

the fact that the present corporation is paying a rental to the Dominion government. I think this letter might be of interest:

Newman, Sweezey and Company Limited,
Investment Brokers,
136 St. James Street,
Montreal,
29th October, 1927.

Your file No. 804-1 B

The Deputy Minister,
Department of Public Works,
Ottawa, Ont.

Dear Sir:

We enclose herewith our cheque for one dollar ($1) in payment of the annual rental due by Beauharnois Light, Heat and Power Company, as assignees of the interests of the lessees, in an agreement dated December 29, 1909, between His Majesty the King and Dame Sarah Roberts et al.

This agreement was assigned to Beauharnois Light, Heat and Power Company by deed of transfer dated March 26, 1910—authentic copy of which was filed with your department on June 27, 1927, and acknowledged by the secretary of your department under date of June 29, 1927—file No. 804-1-B.

Will you please acknowledge receipt of this rental in due course.

Yours faithfully,
Hugh G. Griffith.

There was a similar letter dated October 20, 1928, another similar one dated October 17, 1929, and then I have here a copy of a receipt from S. E. O'Brien. These documents indicate that the ownership and control of the St. Louis river feeder by the Dominion government were clearly recognized; otherwise why was this annual rental paid?

Not only is this the case with regard to this particular work and feeder on the St. Lawrence, but there are certain other public works that are distinctly the property of the Dominion. The hon. member for Bow River referred incidentally to the factum on behalf of the Attorney General of Canada in the Supreme Court of Canada. This factum is the case of the Dominion government as argued before the Supreme Court of Canada:

In the matter of a reference as to the relative rights of the Dominion and the provinces, respectively, in relation to the proprietary interest in, and legislative control over, waters with respect to navigation and water-powers created or made available by or in connection with works for the improvement of navigation.

The factum is dated 1928. On page 67 of this factum we observe that "all those portions of the St. Lawrence navigation, from Kingston to the port of Montreal, improved at the expense of the province," were vested in the crown and eventually became the property of the Dominion by virtue of the British North America Act of 1867.

The leader of the opposition is trying to evade the issue by making the Beauharnois development a purely provincial matter. It is not in any sense a provincial matter. Under the British North America Act of 1867 this was one of the properties that distinctly became the property of the Dominion of Canada. Since the leader of the opposition wants to throw discredit on those of us who are taking up this matter—although I do not know why he should—I think I had better read from the factum itself. On page 67 I find:

94. By section 108 of the British North America Act, 1867 (App. p. 83, lines 32-33) the public works and property of each province enumerated in the third schedule (App. p. 85, lines 21-22) to this act were declared to be the property of Canada. The third schedule enumerates, under the caption "provincial public works and property to be the property of Canada," the following amongst others.

This can be found in the British North America Act, a copy of which I hold in my hand.

1. Canals, with lands and water-powers connected therewith.

This is the statement of the Dominion government itself that the powers in the St. Lawrence enumerated here belong to the Dominion government?

Mr. LAVERGNE: Who represented the Dominion government?

Mr. WOODSWORTH: I think the hon. member for Bow River (Mr. Garland) mentioned one of the representatives: the former Solicitor General. This, however, is the statement, and while I am not always quite sure with regard to my legal grounds, I fancy this presentation as put forward by the Dominion government stands until in some way it has been overturned by legal decision, and that has never taken place. This then is the position of the Dominion government itself. Under and by virtue of section 108 of the British North America Act and the third schedule, this canal and the water powers connected therewith, passed to the Dominion government in 1867, and having so passed, they still belong to the Dominion government. Thus as a matter of fact, Quebec has no jurisdiction whatever.

Let me go a step further. In the lease of this corporation, the province claims the right to all the water powers. I would refer the house to order in council P.C. 422, in which these words are used:

The province reserving the ownership and free disposition of the surplus.

I would point out that in addition to the Beauharnois Light, Heat and Power Company which is still paying a rental to the Dominion government, we have the Dominion government leasing part of the hydraulic power in the St. Lawrence river between lake St. Francis and lake St. Louis to the Montreal Cotton Company.

Mr. BENNETT: Acquired by Beauharnois.

Mr. WOODSWORTH: Yes, but my point is this: that the lease is given by the Dominion government; it is not a provincial matter, although in some curious way, I am informed that the province is receiving a sort of second rental for this. I do not know how they have the right to do this, but the province itself is charging a rental.

Another corporation, the Canadian Light and Power Company, has leased power from the Dominion government, and there is also a possibility that the Cedar Rapids Power and Manufacturing Company, one of the other companies in this district, has also leased power from the Dominion. I would refer to the factum at page 105.

Mr. BENNETT: There is a condition in the lease that the Beauharnois would have to pay any damages that would accrue with respect to Cedar Rapids.

Mr. WOODSWORTH: Yes, and there have been some cases of compensation with regard to this matter. My submission is that if the Dominion owns part of the hydraulic powers of the St. Lawrence river, the exclusive claims of the province are untenable. Indeed, the presumption is that the Dominion government is the agency which has legal authority and right to lease this power.

At this stage in some way or another, Quebec comes on the scene—I say advisedly, "in some way or another," because I do not know how it was managed.

Mr. LAVERGNE: Behind the scenes.

Mr. WOODSWORTH: Perhaps behind the scenes, as my hon. friend suggests. But in any case, in the act of incorporation of 1902 of the Beauharnois Company, they were given the right to build a canal 120 feet wide between this feeder and the river St Louis, and in 1910 the act of incorporation was amended to allow the company to build a canal of six arpents or 1,100 feet wide. In 1928 the act of incorporation was further amended allowing them to change the location of the intake on lake St. Francis and the position of the outlet from river St. Louis to lake St. Louis. In 1930, when the

securities were already in the hands of the public, further amendments were secured, allowing the company to widen the canal to 4,000 feet.

Let me point out again that the enlargements and extensions are based on the original rights of the Roberts. There is no other basis. That was the position taken by Mr. Geoffrion in seeking the amendments in 1928. I have his statement here, but have not time to read it; as I understand it, however, the whole claim was based essentially on the original rights of the Roberts.

Let me pass to another phase of this question, in which I think we shall see that the province has also exceeded its jurisdiction. By subsection 11 of section 92 of the British North America Act the province is permitted to incorporate companies with provincial objects only. That is as far as the power of the province goes. If a company's works and undertakings are of such a character as to extend actually or potentially beyond the limits of a province, they are manifestly not provincial objects for the establishment, control and operation of which a provincial company can be incorporated. Again, Mr. Speaker, I am drawing my statement from the factum itself.

The Beauharnois Light, Heat and Power Company was incorporated by the legislature of the province of Quebec, chapter 72 of 2 Edward VII, 1902. Section 12 of the act incorporating the company gives the company the right to supply, sell and distribute light, heat and power in any direction within a radius of thirty miles of the town of Beauharnois. By a later amendment, that radius was extened to within forty miles from the town of Beauharnois, within which the company may supply, sell and distribute light, heat and power. As a matter of fact, while these I suppose are more or less standard clauses, before you come to the limit of thirty or forty miles from Beauharnois you come to the boundary of the province of Ontario and to the international boundary. It was the evident purpose of the company to distribute power in Ontario, or possibly in the United States; that is, the company was permitted to transmit electricity within this radius, which contemplates the erection by the company of transmission wires entering the United States or the province of Ontario or connecting with transmission wires at the boundary. That was the object of the company. Let me read again from the factum:

> Where the objects of a company fall within section 92 No. 10 (a) it is clear that the Dominion has exclusive legislative power to incorporate such company and grant it all powers required for the construction and operation of the proposed work, including, inter alia, the power of expropriation.

I am not going into the rather technical details which are contained in the factum. But I would urge that the act of incorporation is ultra vires, since the company's objects were not local or provincial but rather interprovincial.

I might go on to show that not only had we the original company, but this company formed a sort of subsidiary known as the Beauharnois Transmission Company, evidently for the purpose of taking electricity from the point of production and distributing it throughout the territory served by the company.

The company was formed by a Quebec charter, and inasmuch as these wires go outside the province and are evidently designed to carry on works outside the province, I urge that this company also becomes a company having interprovincial objects. It is clear that the Dominion government alone has the exclusive authority and jurisdiction to incorporate a company to undertake a development such as is now being undertaken by the Beauharnois Light, Heat & Power Company.

But I come to an even more important consideration than that, and one which some of us emphasized last year, namely that the whole St. Lawrence scheme is essentially a Dominion project. It ought never to be considered a merely local matter; in fact, that situation is more or less recognized by the Beauharnois company itself, because in its prospectus issued on December 8, 1930, it says:

> In providing deep water navigation in its power canal, the Beauharnois Power Corporation is providing one of the major links in the deep waterways by canalizing all the wholly-Canadian section of the river, save for the stretch around the Lachine rapids at Montreal.

We all know that the St. Lawrence system extends all the way from the head of the great lakes right through to the sea; and here is one of the major links, acknowledged as such by the corporation itself, and yet we are going to allow it to go into the hands of a private corporation. I think it is absolutely absurd. We have spent I do not know how many tens or it may be hundreds of millions of dollars in the Welland canal, and yet the whole of that important project may be rendered useless if we allow the control of Beauharnois to pass to a private corporation.

Mr. LAVERGNE: They could stop navigation in a day if they wanted to.

Mr. WOODSWORTH: Yes, that is true, and a friend of mine, Mr. R. K. Finlayson, a good Conservative in politics, wrote a letter not long ago to the Manitoba Free Press, urging that we can do that and should do that. We can plug the canal, but I fancy that there are vested interests at stake which, if they can prevent us from annulling the lease, would protest vociferously if the government undertook to plug the canal.

Mr. LAVERGNE: I say that the company could stop navigation.

Mr. WOODSWORTH: I misunderstood my hon. friend. I suppose they could, although navigation is supposed to be protected by the order in council. May I here read a statement from the factum that I could not find a moment ago when I was dealing with the limitations of provincial companies. At page 106:

> It is now well established that it is the potential scope of the authorized objects and not the area of their actual exercise or operation which determines the character of the work or undertaking as being federal, and where the authority conferred covers works or undertakings which may extend beyond the limits of a province, such works or undertakings are therefore non-local and fall to the exclusive jurisdiction of the Dominion by virtue of section 92, 10 (a) of the British North America Act.

But, Mr. Speaker, this is not simply a question as between the provincial authorities and the federal authorities. It is not simply an interprovincial question, but an international matter as well. I submit that the works contemplated by the Beauharnois development are of such a class as to bring them within the jurisdiction of the Treaty of Washington of 1871, or the Boundary Waters Treaty of 1909, or within a treaty to be entered into between Canada and the United States with respect to the St. Lawrence deep seaway. Being works of such a nature, they would be subject to the exclusive legislative control of the Dominion. That, too, is clearly substantiated by the argument as contained in the factum at page 95:

> Article 3 (App. p. 50), further provides that, except as provided elsewhere by the treaty or by special agreement, no further or other uses or obstructions or diversions, whether temporary or permanent, of boundary waters . . . should be made.

At page 97 of the factum certain fundamental principles are laid down. I quote:

> The Attorney General submits that the Dominion has the exclusive legislative control over water-powers created or made available by the works referred to in this question, for the following reasons: The parliament and government of Canada alone are empowered under the British North America Act to carry out and perform the obligations of Canada under such a treaty.

In order that Canada should obey the spirit as well as the letter of the various treaties which have hitherto been entered into between Great Britain and Canada, on the one hand and the United States, on the other, and in order that we may be free with regard to the proposed treaty between the United States and ourselves, parliament should at once annul the lease which has been granted to the Beauharnois corporation by order in council.

There is another matter which I must touch upon, however briefly, and which I regard as of very great importance, and that is the fact that the order in council goes directly in face of the advice of the joint board of engineers, whose recommendation is against such a scheme as is proposed by the Beauharnois people.

Mr. LAVERGNE: Why?

Mr. WOODSWORTH: I too should like to ask, why it is that the late government went directly in face of the advice of their own engineers. That question has never been answered. And again let me say to the leader of the opposition, if he is in the house, that we are not taking our cue merely from some people who happen to have personal interests. This action in disregard of the engineers' report is dealt with in the articles to which I have referred and which may be elaborated later in the discussion—I hope they will—as published in the Manitoba Free Press, one of the leading organs of public opinion and one that has generally supported the late government.

We had several years ago considerable trouble with regard to the Chicago drainage canal, and we protested very vigorously against the waters there being diverted for United States purposes, even though they were for sanitary purposes; and if you will look at the factum you will find a certain order under which the waters may be diverted. But we must admit that the United States government during the last ten years has consistently refused to grant any rights on the international section of the river. Canada should do at least as much. We have hopes of some day having a deep waterway scheme realized, and it does seem to me that by this action the late government has impaired the success of that scheme. And,

incidentally, it has not lived up to the treaties or the understandings which existed between Canada and the United States.

Let me now summarize, in closing, the points I have tried to make. The claims of this corporation are based essentially on the old claims of the Roberts. The Dominion government owns the Roberts' works, as is shown by the fact that the present corporation is paying a nominal rental charge to the Dominion government. Under the British North America Act, public works on the St. Lawrence were definitely put under Dominion jurisdiction. There is no doubt about that. If any hon. member questions it, I would advise him to read the British North America Act. Further than that, provincial claims to water-power have apparently no foundation; I have never seen any ground on which these claims are based. Moreover, the province can incorporate only such companies as contemplate distinctively provincial objects—and the objects of the Beauharnois corporation are decidedly not provincial but, in fact, interprovincial in character. The St. Lawrence system is essentially a great Dominion project, and if we are ever to carry it through successfully we cannot allow anything to stand in the way. Finally, this whole question involves our international obligations.

For these reasons, Mr. Speaker, I submit that the whole matter should be given the most careful consideration, and I should like to think that some of us at least may be free from any imputation that we are personally interested. There are some people who have stock in Beauharnois. There are some people who have bought the corporation's bonds. There are some people who hope to get something out of it. And there are some who perhaps hope to get something out of those who are opposed to Beauharnois. But some of us are in the happy position of being able to declare that we do not hope to get a red cent out of the business. We feel that it is in the interests of the public as a whole that this question be brought into the full light of publicity and that, if it is at all possible, this great waterway, with the enormous potential water-powers which it carries, shall be saved for coming generations in Canada.

Mr. LAVERGNE: Was there any excuse for the order in council?

Mr. WOODSWORTH: I think it was very clearly shown by the hon. member for Bow River that the late government quite exceeded its powers as granted under the Navigable Waters Protection Act. Perhaps it might be well for me to put on record one pertinent section. Section 4 reads:

> No work shall be built or placed in, upon, over, under, through or across any navigable water unless the site thereof has been approved by the governor in council, nor unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council.

This appears in chapter 140 of the revised statutes of Canada, 1927, section 4. There have been no such plans made and approved, and certainly the operations that are now being carried on by the Beauharnois people have not received any sanction, even by order in council from the late government. Nor, as we have been informed to-day, have they received any sanction from the present government. So that undoubtedly the recent government went entirely outside the terms of this act when it granted the lease.

Mr. LAVERGNE: Why?

Mr. WOODSWORTH: The question is asked, why? I am not so much concerned why they did it; that might bring the discussion into the realm of imputation, and to-day I have made no imputation. I have confined myself to what I consider to be the facts, and for the most part I have read from the official documents concerned.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

BORDER CITIES COMMUTERS

CORRESPONDENCE WITH THE UNITED STATES GOVERNMENT TABLED

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I desire, with the consent of the house, to lay on the table certain correspondence that has taken place between the State Department of the United States of America and the Department of External Affairs of the Dominion of Canada. It deals with commuters, and consists of a note from the Canadian Legation to the State Department on December 26th, an acknowledgment from the State Department of December 30th, and the full reply dated May 11th.

The main provision in the reply of the Secretary of State is that commuters who have been properly admitted as immigrants under general order No. 86 will be accorded the same consideration as if they had actually taken up their residence in the United States. It is further implied that loss of employment

in the United States by aliens of the immigrant commuter class of less than six months will not involve abandonment of status. It is provided that commuters who visit European countries without securing reentry permit or a new immigration visé on their return will be assumed to have abandoned their status, inasmuch as one of these documents is required of an alien resident in the United State to secure reentry. The information as to procedure in the latter part of the Secretary of State's note indicates certain concessions from the usual practice to facilitate reconsideration of the cases of persons already rejected. The final paragraph of the note permits persons rejected as commuters to apply for temporary entry to the United States as visitors, and constitutes a general exception to the regulation that persons who have been rejected may not be admitted to the United States within one year except by special permission of the Secretary of Labour.

I lay two copies of the correspondence on the table.

PRIVATE BILLS

CAUGHNAWAGA BRIDGE

The house in committee on Bill No. 22 respecting the construction and maintenance of a bridge over the river St. Lawrence at Caughnawaga—Mr. Dupuis—Mr. LaVergne in the chair.

Section 1 agreed to.

On section 2—Submission of plans for approval.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): This bill, I believe, is similar to the bill introduced near the close of the last session of the last parliament. At the time my right hon. friend the present Prime Minister (Mr. Bennett), who was then leading the opposition, took exception to the bill on the score that it necessitated payment of tolls. I had rather imagined that any bill that might be introduced at this time would not with the government's consent have included that particular feature, but apparently this bill is altogether similar to the previous one in that regard, and as the plans will have to be approved by the governor in council, I think this is an appropriate moment at which to ask the government whether it is the intention to insist on the bridge being free of tolls.

My right hon. friend, speaking during the recent campaign at Ormstown on June 29th, 1930 made this statement, which I quote from the Ottawa Citizen of the day following:

Mr. Bennett added that he favoured Dominion assistance towards a bridge across the St. Lawrence at Lachine, but not a toll bridge which will prevent farmers getting their products to the market cheaply.

Then at Ormstown on June 30,—

Mr. BENNETT: I was not at Ormstown twice.

Mr. MACKENZIE KING: No. I should say at Ormstown on June 29, but the Montreal Star of June 30 reports my right hon. friend as follows:

> "Now, everyone is in favour of this bridge. Most of all I am. But I believe in free bridges and free highways. After all the king's highway has been always free, ever since mediaeval times and the dark ages. It belongs to the people, and so should a bridge, for it is simply an integral part of the highway. When the Conservative party takes office," Hon. Mr. Bennett concluded, "we will help you build a bridge—but it won't be a toll bridge."

Now that the Conservative party is in office and I presume by the approval to be given by the governor in council is helping to build a bridge, I ask the Prime Minister if he is going to carry out the pledge made to the electors at that time that the bridge would not be a toll bridge.

Mr. BENNETT: The question put by the right hon. gentleman is easily answered. This bill is a private bill in charge of one of his supporters from the province of Quebec. The government has been neither asked for nor has it sought to give assistance.

Mr. MACKENZIE KING: The government is giving assistance to the hon. member in getting his bill through.

Mr. BENNETT: This is a bill reported by the private bills committee.

Mr. MACKENZIE KING: He could not get it through without the assistance of the government.

Mr. BENNETT: Mr. Chairman, it is almost impossible to think that anyone with the parliamentary experience and education of the right hon. gentleman could make such a statement and expect no one to reflect on him for having made it. To say that a private member cannot get a bill through the house without the aid of the government is rather indicating that the government he is accustomed to is not the kind of government that this is. The hon. member has introduced a private bill under the rules of this house. The bill has been reported upon by the private bills committee and the fees necessary to enable it to be considered have, I assume, been paid. The bill as reported on

is now before this committee, and had not the hon. gentleman given me further particulars of it I would only have known of it because of something brought to my attention yesterday as to a clause inserted in the bill. I most strongly resent the thought that private members' bills must have the aid of the government in order to pass this house. Parliament is free to anyone who desires to present a bill, and the rules and regulations are framed for that purpose. This bill is properly before the house, and no assistance has been sought or suggested to be given by the government for the purpose of enabling it to pass.

Mr. MACKENZIE KING: I wish to remind my right hon. friend that I prefaced my remarks by drawing attention to the fact that the section read requires approval of the governor in council of the plans before there can be any construction of the bridge. Either my right hon. friend is misleading the house and particularly the hon. member who is introducing this bill, in causing him to believe that this requirement is of some value and the approval of some assistance—

Mr. CHAPLIN: Is that the lieutenant governor in council?

Mr. MACKENZIE KING: No, by the governor in council, and unless my right hon. friend is in a position to implement the promise which he made, that this bridge will be free of tolls, he is simply not carrying out a pledge given to the electorate by himself in specific terms during the last general election.

Mr. BENNETT: As far as the approval of the governor general in council is concerned, this bridge crosses the St. Lawrence river, and the law provides that a bridge shall not cross the St. Lawrence at that point unless this parliament, not the governor in council, has given its approval. The manner in which parliament gives its approval is to provide that the detail plans are to be submitted to the governor in council. In other words, this parliament has been asked, under the terms of the Navigable Waters Protection Act, to do what has been suggested by my hon. friends opposite and to my right this afternoon, which is to obtain the approval of parliament and not the governor in council for the crossing of the St. Lawrence river. This parliament has stipulated that such approval is contingent upon the plans being approved by the governor in council, and that is all there is to it. That is the whole story, and the question of tolls or anything of that kind is not a matter over which parliament has control.

[Mr. Bennett.]

Mr. STEWART (Edmonton): Surely my right hon. friend will agree, however, that this is not the reason the bill is before parliament. The bill is here to get authority to construct the bridge.

Mr. BENNETT: No, it is not; that authority comes from Quebec.

Mr. STEWART (Edmonton): But you cannot have a bridge across the St. Lawrence river without the governor in council approving the plans. I see no difference between this and the bill of last year.

Mr. BENNETT: As usual the hon. member for West Edmonton has not taken the trouble to inform himself as to the facts. This is entirely a Quebec arrangement.

Mr. STEWART (Edmonton): Is there any difference between this bill and the bill of last year?

Mr. BENNETT: I cannot say with regard to the bill of last year. This bill provides for the crossing of the St. Lawrence river, which has to be approved by parliament, but the company which is to build the bridge will do so with the aid of the provincial authorities, who will guarantee the bonds. That is purely a provincial matter, over which we have no control.

Section agreed to.

Section 3 agreed to.

Bill reported, read the third time and passed.

BANKRUPTCY ACT AMENDMENT

Mr. JOHN T. HACKETT (Stanstead) moved the third reading of Bill No. 28, to amend the Bankruptcy Act (priority of claims).

Motion agreed to, and bill read the third time and passed.

COMPANIES ACT AMENDMENT

Mr. JOHN T. HACKETT (Stanstead) moved the second reading of Bill No. 33, to amend the Companies Act (auditors).

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. LaVergne in the chair.

On section 1—Auditors not to be directors or officers.

Mr. GEARY: It seems to me the proviso is a little cumbersome and probably does not quite effect the object the promoter of the bill has in mind. I would suggest, and move

accordingly, that the proviso be struck out and the following substituted therefor:

Provided however, that the subsection shall not apply to any private company, nor to any company whose shares, bonds, debentures or debenture stock are not offered for public subscription.

The present proviso excludes a company which prohibits any invitation to the public to subscribe for shares, but I do not believe that would afford the protection which is desired. A company may be a private company or a company not offering its bonds or shares for public subscriptions, although still not prohibiting such action. It might be, also, that the proposed provision is too broad, that any company could take advantage of the proviso by simply passing a resolution to the effect that public subscription is not to be invited. It seems to me if we confine the proviso to private companies or to other companies which, while not nominally private companies, do not in fact offer their stocks, shares or debentures to the public, that would be what this parliament would wish, and I move accordingly, seconded by the hon. member for Yale (Mr. Stirling).

Mr. STEVENS: Mr. Chairman, I have no particular desire to offer very harsh criticism of the proposal, but I do question the loosening up or the slackening of the present restrictions in connection with auditors participating in the management of companies of which they are the auditors. I believe the principle is bad. If we are to do anything under the Companies Act or similar acts to affect auditing, we should make the position of the auditor clearer, more definite and more responsible than it is to-day. The value or merit of an auditor's report rests in the thoroughness with which his work is done. I have not the amendment in my hand, but from my memory of it I would draw attention to this possibility: a company might organize, publicly offer for sale its debentures and carry on business for a certain time with its auditors being permitted to act as directors. It might be the intention of the company to list its stock at some later date, which it could do by obtaining an amendment to its original charter. I desire only to draw attention to the danger of loosening the restrictions which already exist, which are meagre enough, as to auditors taking part in the management of companies of which they are auditors.

Mr. RINFRET: I have no desire to prolong the discussion on this bill, but I rise to say that I share fully the views expressed by the Minister of Trade and Commerce (Mr. Stevens). The Companies Act was amended at some length last year, and this is one of the matters which came before the committee. I believe there was unanimity in having our present act include a clause concerning this very matter. I think it appeals to everyone's common sense that a man who is an auditor of a company should not be a partner, associate or director of that company, otherwise he would be auditing his own accounts, and that is not a good principle. Subsection 3 of section 123 of the act reads as follows:

Neither the auditor of any company nor any partner associate in any accounting or auditing company or business with the said auditor shall be capable of being appointed a director or officer of the company.

That provision is as complete and extensive as it could be. It makes it very clear that the books of a company must be audited by someone who is not associated with or interested in the company. That is a good principle for all companies, and it should not be departed from even when dealing with private or small companies. They might as well not be audited as to be audited by one of their own personnel because, as I said before, if a man is a director of a company and is the auditor of that company, he is practically auditing his own work. I associate myself with the Minister of Trade and Commerce—and it is a great pleasure to associate with him—in opposing the amendment embodied in this section.

Mr. NICHOLSON: Mr. Chairman, it seems to me that something very important is being lost sight of in the objections offered to this bill. Many companies which are practically family corporations are carrying on business throughout the country, and the purpose of any auditing they do is to audit the books of a servant of the company, such as the secretary treasurer. Instead of employing a firm of auditors or chartered accountants, these companies save money by auditing the books of their own officers. As the bill now stands, this practice would be made illegal. It seems to me that the present bill was meant to take care of situations such as this.

Mr. HACKETT: Mr. Chairman, there can be no doubt as to the wisdom of the enactent of the last session. It is undesirable that the affairs of the company should be audited by those who are managing it, but it is not desired that legislation should react unfavourably against those whom it is intended to protect. When this subsection 3 was passed it was found that it wrought a great hardship on innumerable small com-

panies. There is a large number of companies represented in Canada by auditors from the old land. They have offices here from which they transact business, but their affairs are controlled and supervised by auditors who are at the same time directors and managers of the companies. I am sure many hon. members can recall at least half a dozen such concerns in the larger cities of the Dominion. I venture to say that half of the hon. members in this house hold shares in small private companies, and this amendment is offered to enable those companies to carry on their business as they have in the past, without prejudicing the public, their neighbour or anyone else. It might be called a poor man's amendment; it offers that measure of elasticity which is desirable in all legislation if it is to be effective, and it need not reduce the quantum of supervision and careful scrutiny incidental to good business management. Large companies, companies in which public funds are invested and the shareholders of which must look to the auditors for protection, are in no way affected by this amendment. It applies only to private companies, and private companies are very insignificant entities as compared with those which the measure of last year aimed at protecting. If one were to take a census of the number of companies that are placed under a hardship by the legislation of last year, I think one would reach the conclusion that there is behind this amendment an element of wisdom and forbearance which makes it altogether desirable. It in no way attacks the principle to which the hon. member for St. James (Mr. Rinfret) has referred.

Mr. NEILL: The hon. gentleman referred to a hardship. Is it the expense of outside auditors?

Mr. HACKETT: It is not only the expense of an outside audit. The people who own the company have to choose between being the auditors of the company, as stated. for instance, by the hon. member for East Algoma, for the purpose of auditing the accounts of their own business, and being directors of their own business. They are faced with that alternative.

Mr. GUTHRIE: No doubt there is a great deal of merit in the proposal embodied in this bill, but I think the course in the house heretofore has been, perhaps not invariably, but almost so, to refer bills of this kind to the banking and commerce committee. The bill of last session was referred to that committee. I do not know whether the promoter would have any objection to that course being pursued now.

[Mr. Hackett.]

Mr. HACKETT: I have no objection.

Mr. GUTHRIE: Perhaps that course should have been pursued before the bill was read the second time, and before it came into committee; but if the committee has no objection, my suggestion is that a motion be made to refer the bill to the banking and commerce committee in order that they may thoroughly understand it and report to the house.

Some hon. MEMBERS: Carried.

Mr. GUTHRIE: I move that the committee rise and report progress. With the consent of the house I shall then move that the bill be referred.

Progress reported.

Mr. GUTHRIE: With the consent of the house I beg to move:

That Bill No. 33, to amend the Companies Act (Auditors), be referred to the select standing committee on banking and commerce.

Mr. NEILL: If I am in order—and I would like to be in order for once—I have no objection to the motion—

Mr. SPEAKER: The motion as put is not debatable.

Motion agreed to.

CIVIL SERVICE ACT AMENDMENT

PREFERENCE TO CANADIAN VETERANS RESIDENT IN CANADA FIVE YEARS

The house resumed from Friday, May 1, the adjourned debate on the motion of Mr. Boulanger for the second reading of Bill No. 18, to amend the Civil Service Act (returned soldiers' preference).

Mr. W. W. KENNEDY (Winnipeg South Centre): I desire to make a few observations in connection with this bill which is sponsored by the hon. member for Bellechasse (Mr. Boulanger). It proposes to amend the Civil Service Act of Canada in two respects: first, by adding to section 29 of the said act a further subsection (5) reading as follows:

Notwithstanding anything to the contrary in this section, or in any regulations made by the Civil Service Commission, the preference mentioned in subsection 4 of this section shall be granted only in the case of Canadian nationals as defined in section 2 of chapter 21 of the revised statutes of Canada, 1927, or as defined in any amendment or reenactment thereof.

The explanatory note set out opposite this subsection in the bill reads:

The object of this subsection, which is new is to provide that the preference, commonly referred to as "the returned soldiers' preference" shall be granted Canadian soldiers only.

The second amendment proposed by the bill relates to section 33 of the act and has to do with the residence in Canada required as a condition precedent to the admission to examination of British subjects desirous of entering our civil service.

It is in respect to the first part of the bill that I wish to direct the immediate attention of the house. What is the purpose of the proposed amendment? I think I can do no better than give to the house the answer of the hon. member for Bellechasse who is sponsoring the bill. As reported in Hansard at page 1196, the hon. member for York-Sunbury (Mr. Hanson) asked this question:

Is it the declared object of this bill to cut off the preference to veterans of the British army?

This is the reply of the hon. member for Bellechasse:

Yes. The intention is to restrict the preference to veterans of the Canadian army.

I ask the house to examine briefly that purpose, with some of its implications, in relation to the British Empire of which Canada is still, thank God, a part. This bill seeks to draw a line of demarcation between Canadian nationals and all other soldiers of the empire who fought the battles of the empire in our hour of need. I know it is a far cry back to 1914, but I should like, if I could, to take hon. members back for a few moments to those days so that they might realize in this year 1931 what was the situation in 1914 and by what means the empire met that crisis.

You will recall, Mr. Speaker, that it was not a problem for Canada alone, for the motherland alone, for Australia or New Zealand or South Africa alone, but it was an empire problem, and the keynote of the force with which that crisis was met was unity of force and purpose and not lines of demarcation. You will remember the call that went out in this country and how it was answered. From the little cabins of the miners along those creeks in the Yukon, from that great province of British Columbia, from the foothills of Alberta, from the plains of Manitoba and Saskatchewan, down through old Ontario to Quebec and the maritimes, who answered? Were they Canadian nationals alone? I ask hon. members to mark the calls that went out and to observe whether or not in those days the call was to Canadian nationals as distinct from imperials, and I shall give just a few of those slogans. What are they?

Hear the dead calling you, strong men and able
For Canada's honour respond to your name.
Here's your chance. It's men we want.
Each recruit brings peace nearer.
In her hour of need your country calls you.
Join the brave throng
That goes marching along.
Brothers, will you come?
The Prussians want to make this the dark continent. Will you let them do it?
"Fall in."
Answer now in your country's hour of need.
If ye break faith
We shall not sleep.
Boys, come over here. You are wanted.
You come across or Germany will.

Here is another one:

Young men!
The privilege of service is yours, that your country may live and that freedom may not disappear from the earth.

This one for the hon. member for Bellechasse:

Unis pour la paix avec la victoire.

Another:

It is always fair weather when good fellows get together. You will find a lot of good fellows in the Kilties. Why not join the 73rd Cameron Highlanders of Canada?

I want to place beside those slogans the words with which our troops were sped to the front. I want to give one extract from the speech of the late Sir Sam Hughes, then Minister of Militia, and a great minister he was, to the troops at Gaspé, on October 2, 1914, as they were about to go:

That you will render a splendid account of yourselves for king and country is certain. You come of the right breed,—English, Scotch, Irish, French and Welsh.

No line of demarcation there. Again I should like to quote from the message of Sir Arthur Currie to the Canadian corps after the enemy had advertised its last great onslaught and had struck. You, Mr. Speaker, and many other hon. members of this house will keenly recall that message, which was dated March 27, 1918:

In an endeavour to reach an immediate decision the enemy has gathered all his forces and struck a mighty blow at the British army. Overwhelmed by sheer weight of numbers the British divisions in the line between the Scarpe and the Oise have fallen back fighting hard, steady and undismayed.

Measures have been taken successfully to meet this German onslaught. The French have gathered a powerful army, commanded by a most able and trusted leader and this army is now moving swiftly to our help. Fresh British divisions are being thrown in. The Canadians are soon to be engaged. Our motor machine gun brigade has already played a most gallant part and once again covered itself with glory.

Looking back with pride on the unbroken record of your glorious achievements, asking you to realize that to-day the fate of the British Empire hangs in the balance, I place my trust

in the Canadian corps, knowing that where Canadians are engaged there can be no giving way.

Under the orders of your devoted officers in the coming battle you will advance or fall where you stand facing the enemy.

Canadians, in this fateful hour, I command you and I trust you to fight as you have ever fought with all your strength, with all your determination, with all your tranquil courage. On many a hard fought field of battle you have overcome this enemy. With God's help you shall achieve victory once more.

A few days later all ranks were addressed by Field Marshal Sir Douglas Haig, and I should like to put beside these extracts I have given his message to all ranks of the British army in France and Flanders. It is dated April 11, 1918:

Three weeks ago to-day the enemy began his terrific attacks against us on a fifty-mile front. His objects are to separate us from the French, to take the channel ports and destroy the British army.

In spite of throwing already 106 divisions into the battle and enduring the most reckless sacrifice of human life, he has as yet made little progress towards his goals.

We owe this to the determined fighting and self-sacrifice of our troops. Words fail me to express the admiration which I feel for the splendid resistance offered by all ranks of our army under the most trying circumstances.

Many amongst us now are tired. To those I would say that victory will belong to the side which holds out the longest. The French army is moving rapidly and in great force to our support.

There is no other course open to us but to fight it out. Every position must be held to the last man; there must be no retirement. With our backs to the wall and believing in the justice of our cause each one of us must fight on to the end. The safety of our homes and the freedom of mankind alike depend upon the conduct of each one of us at this critical moment.

In addition to those, Mr. Speaker, we have at the beginning of the story in the memorial tower in this building these words:

Read how free men throughout this land kept faith in the hour of trial and in the day of battle, remembering the traditions they had been taught, counting life nothing without liberty.

There answered the call from this country 619,636 men. An analysis of those figures will prove of interest. Of those born in Canada there were 318,728; of those born in England, Ireland, Scotland, Wales and other British countries, 237,586; from other than British countries 59,505; not stated, 3,817. The call in those days was not to Canadian nationals alone, but to all citizens of the empire wherever dwelling. It is a matter of record that among the first to go from this country were many of those here from the motherland as well as many Canadians. From the farthest reaches of this country the British-born answered that call, and so anxious were they to rally to the mother country that many thousands of them at their own expense, paying their own transportation, left Canada to join their regiments in the old land.

This bill, if it passes this house, would now draw a line of demarcation between those who served in the Canadian army and the imperial veterans who served in the imperial army. I ask hon. gentlemen whether it is the desire of the people of Canada that this distinction should be drawn. I ask this house to remember that the preference given to all those who served in the allied armies, so far as the Civil Service Act as it now stands is concerned, was not prompted by charity but as a measure of re-establishment of those who served, and as such I submit that it should remain.

Last Sunday there took place in cemeteries in various cities and hamlets up and down this country the ceremony of burying ex-service men who had died in various hospitals and elsewhere during the winter. The Last Post was sounded, the press was eulogistic of the services of these men, editorials were written.

I urge the hon. member for Bellechasse to reconsider this amendment. I would point out to him that already, with the lapse of time, even the youngest of those who served now border upon or have passed middle age. A few years more and with the flight of time all those who were united in those days of stress will again be united in death. Can Canada not wait a little longer?

The hon. member for Bellechasse appeals to this house in his closing words and purports to invoke the Canada first policy as enunciated by this government. Here is what he says:

I believe the spirit of the bill is in accordance with the Canada first policy of this government.

Let me remind him that the "devil can quote scripture for his purpose." The Canada First policy as enunciated by the Prime Minister of this country, and as I apprehend it, has to do with the welfare, happiness and prosperity of all Canada and of all who dwell therein, irrespective of origin, race, creed or party.

This amendment to the Civil Service Act proposes to draw a line between those who stood together and served our empire well in her great hour of need. I submit that the spirit of the bill is wrong. The bill is wrong and I protest against it; I trust that at the hands of this house it will receive "no quarter."

Mr. C. G. POWER (Quebec South): All of us, I think, appreciate the lofty and patriotic sentiments expressed by my hon. friend from Winnipeg South Centre (Mr. Kennedy). But

the bill as submitted should at least be allowed to go to the committee in order to be carefully studied. If hon. members will turn to the provisions of the Civil Service Act, section 29, subsection 4, they will find that it deals with the preference given to returned soldiers, and I think they will agree with me that that section as it stands calls for some sort of amendment. I am not prepared to say that the amendment suggested by my hon. friend from Bellechasse (Mr. Boulanger) is the one which will meet the views of every member of this house, but I do think that if the bill is allowed to go to the committee, where proposals can be given careful consideration, amendments can be suggested which will meet with the approval of the majority of hon. members.

I will read the section of the Civil Service Act to which this bill refers. Section 29, subsection 4, reads:

In all examinations for entrance into the civil service the persons named on such special list who are found to possess the necessary qualifications shall be named, in the order of merit, on the list of successful candidates above all other candidates; and all other persons who have been on active service overseas—

This is the list of persons preferred.

—on the military forces or who have served on the high seas in a seagoing ship of war in the naval forces of His Majesty, or of any of the allies of His Majesty, during the war, who have left such service with an honourable record or who have been honourably discharged, or when any persons who have served as aforesaid have died owing to such service, the widows of such persons, and who, in either case, obtain sufficient marks to pass such examinations, shall, irrespective of the marks they have obtained, be named in the order of merit, on the list of successful candidates next after any candidates who are on the special list mentioned in subsection two of this section and above all other candidates.

The act is very badly drafted. I do not know who drafted it, but with all respect I must say a terrible mess has been made of its English. In any case it means that on the preferred list, apparently indiscriminately, there shall be placed all those who served in the forces of His Majesty, naval or military, as well as all those who served in the forces of armies allied to His Majesty's.

I believe a number of the members of this house will agree with me that, whatever patriotic motives we may have had at that time in inserting such a provision, it is no longer necessary that we should give a preference to those who served in the allied forces. Let me give an example which, while it may be personal, I believe will apply to other members of this house who served overseas. I have a son of seventeen. In another year or two he will be eligible to enter the Civil Service of Canada. I hope and pray he will never desire to do so, but the fact is that he will in due course become eligible. Should he desire to enter the civil service he will be obliged to submit to a preference in favour of a Portuguese or a French Senegalese or some other soldier who at some time or other served in the allied forces. This seems to me absolutely ridiculous. There is no reason why the children of Canadian returned soldiers should be obliged to give precedence to some one who served in any one of the allied forces.

An hon. MEMBER: In the Foreign Legion.

Mr. POWER: Yes, in the Foreign Legion. But I am giving examples of armies from which it would be very difficult for us to obtain the real military record—armies of Montenegrins, of Serbians and of every nation on earth.

An hon. MEMBER: Russians.

Mr. POWER: Such men may come to Canada and, provided they have the residential qualifications, having become British subjects perhaps only two or three years ago, just long enough to make them Canadian nationals, may have the preference over children of returned Canadian soldiers. I submit that the act as originally drawn, in section 29, subsection 4, should be changed; and if this bill is allowed to go into committee I propose to submit an amendment which will eliminate the preference given to members of the allied forces. So far as members of the imperial forces are concerned, I would propose this amendment:

In all examinations for entrance into the civil service, the persons named on such special list, who are found to possess the necessary qualifications, shall be named in the order of merit on the list of successful candidates above all other candidates, and all other persons who have been on active service overseas, in the military or naval forces of His Majesty during the late war, and were at the time of their enlistment—

This covers the 30,000 mentioned by my hon. friend from Winnipeg South Centre.

—or at the date of passing of this act—

That is, the present time.

—domiciled in Canada, who have left such service with an honourable record, or who have been honourably discharged, or when any persons who have served overseas as aforesaid, have died owing to such service, the widows of such persons, and who, in either case, obtained sufficient marks to pass such examinations, shall, irrespective of the marks they

have obtained, be named in the list of successful candidates next after any candidates who are in the special list mentioned in subsection 2 of this section, and above all other candidates.

The proposal is first of all to eliminate the preference given to members of the allied forces and, secondly, to give a preference to members of the imperial forces who were domiciled in Canada at the time of enlistment or who are at the present time—at the date of the passing of this act—domiciled in the Dominion. That is to say, it is not intended to give a preference to those who may come here after the passing of the act.

That is the proposal which I hope to make if the bill goes to committee. It is a proposal which I believe will commend itself to many members of this house who may be under the impression that the bill now under consideration is designed to do away with the returned soldier preference. I believe an amendment such as I have suggested would fully safeguard all those returned soldiers whom it is the interest of this house to protect.

Mr. SPEAKER: The hour for public bills having expired, the house will revert to the discussion of the special motion to adjourn.

BEAUHARNOIS POWER CORPORATION

MOTION FOR ADJOURNMENT TO DISCUSS MATTER OF URGENT PUBLIC IMPORTANCE

The house resumed consideration of the motion of Mr. Gardiner.

Miss AGNES C. MACPHAIL (Southeast Grey): I shall address the house very briefly, and I wish to do so because, in my opinion, it has been too often true that the natural resources of Canada have been given away to promoters. This policy, which we have followed fairly consistently in the past, has created millionaires on the one hand and struggling Canadian citizens on the other; and it is because I believe that the Beauharnois project comes within this classification that I wish to discuss it. There seems to be something in the nature of giving away the natural resources of Canada.

In the first place, as has been made clear in this house many times, both in this debate and in former discussions, the prospectus made claims that could not be substantiated by the facts. It does seem clear that the Beauharnois corporation could not have sold their bonds as successfully as they did, or possibly could not have sold them at all, had it not been that the Hydro-Electric Power Commission of Ontario entered into a long-term contract with them to take 250,000 horse-power. It is curious to find that the hydro-electric enterprise, the pride of all those who stand for public ownership in Canada, should have put itself in this position. We recall that Sir Adam Beck when he founded the enterprise wanted, through it, to develop the water powers of the province for the use of the people at cost. Those of us who were in the house when Mr. Church was a member knew what an avowed friend of public ownership he always was. In an interview as reported in the Toronto Globe of Tuesday, April 14, 1931, I find he said in relation to the hydro-electric commission:

It could not have been put over—

That is, the Beauharnois project.

—without Mr. Ferguson's guarantee to take 250,000 horse-power, which guarantee financed the whole deal.

In following other utterances on this subject, one can hardly miss the interview that Mr. Sinclair, the Liberal leader in Ontario, or the former Liberal leader—I am not quite clear on this point—gave to the Toronto Globe, as reported in its issue of April 22, 1931. He said:

Hydro agreed to purchase 250,000 horse-power from Beauharnois, another block of 150,000 horse-power was contracted for by another concern. These contracts enabled Beauharnois bonds to be sold. Their prospectus showed these contracts would pay more than all operating expenses and the interest and sinking fund on all the bond issues. There remains 100,000 horse-power still to be marketed at a clear profit. Such being the case, hydro is buying power at more than its cost of production, and the excess over cost goes to the promoters of Beauharnois.

And may I add for Mr. Sinclair—at the expense of the people of Ontario. Then, too, Mr. McQuibban, speaking in the Ontario legislature, used this very significant sentence as reported in the Toronto Globe of March 30 last:

Hydro has hoisted the white flag of surrender.

It really does look like that. A public ownership scheme started, as I said a moment ago, to develop power at cost, has become a distributing corporation for private concerns —concerns that have no particular interest in developing power at cost, but rather in developing power at profit. So I believe I can say without fear of contradiction that the Hydro-Electric Power Commission of Ontario has aided and abetted the schemes of its adversaries. If more power is needed in Ontario why is it not possible to develop the power resources of the international section of the St. Lawrence river? That would seem

to me to be a policy in keeping with the practice of the hydro-electric commission in years gone by.

There is one other aspect of the question with respect to which I wish to say a word or two. The development of the Beauharnois project, in the opinion of those who have given most study to it, prevents the development of the St. Lawrence waterway. It naturally occurs to one that if a depth of 35 feet is needed for ocean boats below Montreal, the same depth would be needed above Montreal. May I again refer to Mr. Church? And one must say this for him, that as we look back over his record in the house we cannot help but feel that many times he championed causes here when they were very unpopular, and that he did it because he believed it to be in the best interests of his own city and province that he loves so much and of the whole Dominion. In this connection he said, as reported in the Toronto Globe of April 14, 1931:

There will be no St. Lawrence waterway. The whole public canal policy of Canada has been upset by this deal and the company given power to build an artificial navigation canal 27 feet deep on the St. Lawrence in exchange for the power, whereas from Montreal to Quebec the navigation channel is 35 feet. The canal feature is a myth.

Then Mr. Sinclair in the same interview to which I have already referred stated:

In the Beauharnois development, the depth of the ship canal is limited to 27 feet. Below Montreal the river is now being dredged to a depth of 35 feet to allow large ocean boats to reach Montreal, which will thus become the head of navigation for all such vessels. If it is good for Montreal, would it not be good for all ports in Ontario, including the $40,000,000 harbour of Toronto? The construction of the ship canal also provides for fixed spans in bridges crossing it, indicating there is no thought of navigation using the canal, because all other canals will remain as at present, and can be used as at present for all traffic west of Montreal. Montreal seems to control the situation, and promoters of Beauharnois have seen to it that navigation in a big way stops at Montreal.

And Mr. McQuibban speaking in the legislature of Ontario, as reported in the Toronto Globe of March 20, 1931, said:

If this gigantic scheme—

Speaking of the Beauharnois scheme.

—is consummated it has postponed the seaway for one, or maybe more, generations.

It seems clear that the fact of the Ontario Hydro-Electric Power commission buying power from Quebec for a period of fifteen years will in itself retard the development of the deep waterway. For that period of time at least Ontario will not be in a position to buy power from the international section of the St. Lawrence should it be developed. Then, too, Quebec can claim that since she is exporting this great block of power to the province of Ontario she is short of power for her own use, and so can bring pressure to bear upon the Dominion government to allow her the full flow of the river.

I would not have said a word as the Prime Minister has agreed to a parliamentary committee to investigate the whole Beauharnois scheme, except that I do feel that since the inception of the hydro-electric enterprise in Ontario the danger to its continuance as a public-owned enterprise has never been as grave as it is at the moment, and I believe that all lovers of public ownership in Ontario should bring to bear whatever influence they have as a whole to ensure that if possible the contract is cancelled, and certainly that the present policy of the hydro-electric commission shall not be followed in the future.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, I do not propose to discuss at any great length the history of the Beauharnois project. That has been very well covered by hon. members in this corner of house who have preceded me. Suffice it to say that the development of power on the St. Lawrence river has been conceded to the province of Quebec with regard to that part of the river lying in that province. Under the constitution, however, the federal government controls navigable rivers. I know there are some legal arguments in connection with these points, but in substance that is the attitude which has been taken by the federal government in regard to this question. Therefore the power rights that were granted to the Beauharnois company by the province of Quebec were of no use to that company until they secured the authority of the federal government to use the water of the river. The federal government granted the right to the company to divert 40,000 cubic feet per second from the St. Lawrence river to their fifteen-mile power canal. This will enable the company to develop 500,000 horse-power of electrical energy, with an annual commercial value of about $15 per horse-power.

The government secured nothing in return for the granting of this natural resource, and the late King government has been very severely criticised for its failure to secure some compensation. However, the company are obligated to permit navigation through that canal if required. That navigation, however, will be made possible only by the construction of locks, which it is estimated will cost about $25,000,000. Perhaps the most severe criticism

of the action of the late government is that they did not stipulate for the construction of these locks by the company. This criticism is accentuated by the fear that this diversion may interfere with the development of the St. Lawrence deep waterways scheme. Since the United States has treaty rights in the St. Lawrence river, also, it is even asserted in some quarters that there may be international complications.

Now, Mr. Speaker, in connection with the deep waterways development there would seem to be three courses open to us in regard to the navigation of this river. First there is the present Soulanges canal, about fifteen miles long, on the north shore of the river, which will accommodate vessels drawing fourteen feet of water. All the navigation of that portion of the river going around the rapids must use that canal at present. The Beauharnois power canal when completed, will accommodate vessels drawing twenty-seven feet of water, and this canal also is about fifteen miles in length. This may or may not conform to the requirements of the engineers of the deep waterways scheme. If it does, then I presume the canal can be used, but I am not quite clear on that point. I have heard it asserted that it does conform to the requirements of the scheme, and on the other hand I have heard it said that it does not. There is also a shorter canal suggested by the joint board of engineers, which would be about five miles in length, and at the head of which there could be developed about 2,000,000 horse-power.

It seems to me that in dealing with this question parliament first must see that nothing is done which may interfere with navigation on the river. I think that is the first thing that must be decided, and that should be consistent with the development of the maximum amount of electrical energy. Electrical energy is one of Canada's most valuable assets; it is one of the things which we expect to give Canada her place in the industrial world in the years to come, and I believe I am safe in saying that no other country in the world is possessed of the great potential water power which we have in Canada. Therefore I say that in any scheme of this kind we must first protect navigation and in the second place we must consider the development of the maximum amount of electrical power.

The obvious duty of parliament, therefore, is to secure something for the people for the valuable rights which have been granted to the company. So far in the debate only one suggestion has been put forward, namely that the whole undertaking be cancelled, on the assumption that the government itself would operate the development. That could be done, if the government has a legal right, as has been asserted, by the cancellation of the present rights granted to the company; or it could be done by the government declaring the whole work to be for the general good of Canada. In either case I assume the government would be called upon to reimburse some of those who have put their money into this project, at least those to whom the Prime Minister referred as the innocent third parties.

It seems to me, however, that there is an alternative. The history of governmental action in Canada in the past would give us very little hope that any such cancellation will be made. The alternative, it would seem to me, would be to grant the extra diversion requested on condition of a consideration therefor, possibly the construction of some public work which would adequately and properly protect the public interest and give the people of Canada something in exchange for the valuable concession made.

With regard to the question of cancelling the project, as the Prime Minister has indicated there would be difficulties. There is the question of financing; there are the innocent third parties, the persons to whom bonds have been sold and by whom common stock has been purchased. Then again there is the question of operation. If the government took it over it would have to build up an organization to operate it. Whether or not we have enough confidence in ourselves and in the government to undertake a great work of this kind is a matter open to question. Then there is another point in regard to the lease of power. I understand the company has already contracted for all the power it proposes to develop. Industries are being built up and developed on the strength of these contracts, so the ramifications of the enterprise are very great and the whole thing is very complicated.

Now let us consider the second proposition, that we should secure something from the company in return for what has been granted to them. In that connection it seems to me the difficulties are not so great. The question is simply what we can secure for the people as adequate compensation for the right that has been granted the company. Let me say again that any arrangement entered into must make absolutely certain that navigation is not prejudicially affected. The Soulanges canal, I think it is admitted, is not suitable for the deep waterways scheme; that canal would have to be reconstructed or entirely rebuilt in order to fit in with that proposition. Probably the Beauharnois canal comes much closer to the specifications any such canal

would be required to meet. In this connection I would like to draw the attention of hon. members of the house to two very excellent articles appearing in the Manitoba Free Press, and written by a man named R. K. Finlyason. These articles show a very thorough and thoughtful study of the whole question, both from the standpoint of navigation and with regard to the development of power, and I would commend them to hon. members. The first article appeared in the Manitoba Free Press under date of December 19, 1930, and deals more particularly with the question of navigation. Referring to power, however, Mr. Finlayson says:

Harnessing power presents the same economic difficulty that would follow if an equal number of horses walked out of the stream. They must be used, or destroyed, or sold abroad. It will require some 30 to 40 years in Canada to absorb the St. Lawrence Canadian power into use.

There is another problem also. The company securing the right to develop power must secure a market for that power, because there is no use developing power unless it can be sold.

Mr. FACTOR: The Prime Minister having promised an investigation into this matter, what is the object of all this discussion which is taking place now?

Mr. CAMPBELL: If my hon. friend will just listen until I am through I will tell him the object. I think we have a right to discuss the question here, and to perhaps give some lead to the committee.

Dealing with freight rates, Mr. Finlayson says:

The picture of all the great vessels of the world coming to Port Arthur has vanished, and with it those fanciful claims for savings which were to equal the present cost of shipment from Port Arthur to Montreal.

His argument is that from a navigation standpoint the project is not feasible; it is feasible only by the development of power supplementary to navigation. Dealing with transportation, he says:

But while transportation is arguing, power considerations are acting.

He then goes on to give the details of the grants to the Beauharnois company. Referring to the rights to divert water granted to the company, he says:

If the main river development for navigation is feasible in spite of this diversion and is eventually followed, the Dominion of Canada without any consideration whatsoever has surrendered such right to revenue as it had from 500,000 hydro electric power with a preemption of the power market in the St. Lawrence basin for five years.

Editorials appeared in the Manitoba Free Press apparently inspired by and based upon the articles from which I have just quoted. An editorial in the Free Press of December 20, 1930, in part reads as follows:

The present condition of the waterways question is well described in the articles contributed to the Free Press by Mr. R. K. Finlayson. The surrender by the King government of the Dominion position—outlined by Mr. Lapointe in his statement of 1927—in the face of political pressure from Ontario and Quebec, the absence of any political support from other parts of Canada, and the failure of the supreme court to give a clear judgment upon the questions submitted to it, as indicated by its action in the matter of the Beauharnois lease, has placed the whole enterprise in jeopardy, as is clearly shown by Mr. Finlayson. The advantages of the canal are not sufficient to justify the people of Canada in building it out of the public funds, without assistance from water-power rentals. Whether the Dominion's right to share in the power which it creates can be regained is doubtful.

Another editorial which appeared in the issue of April 29, 1931, in part reads as follows:

The whole Beauharnois situation is to be reviewed in Ottawa this session, and there is still time to snatch safety for the seaway from the clutches of the hitherto invincible power interests.

There has been too much politics in the Beauharnois situation up to the present. The primary aim is too often lost sight of. The St. Lawrence deep waterway project must be carried to completion. This is the aspect of the situation which is national in character. The disposition of St. Lawrence power, save as it affects the seaway, is not a national problem. It happens, however, to be the only lever with which the seaway can be built.

That is the particular point to the whole argument. The editorial continues:

The power on the Canadian section of the St. Lawrence is in the right of the Quebec government, which can dispose of it as it sees fit.

And again:

The Dominion has the right to step into the situation and say that not another horsepower shall be installed at Beauharnois until plans are adequately laid, and under way, for the development of the whole St. Lawrence scheme. If Mr. Bennett does not do this, he will betray his election pledges.

And further on the editorial continues:

He has the chance to block further grants to Beauharnois until such time as the whole seaway is assured.

If he does not care to take so drastic a step, another course lies open to Mr. Bennett. He can drive a bargain with the Beauharnois interests such as should have been driven by the King government. He can say to them that they can take more water, but only if they hand over not only a fully equipped canal on the Beauharnois section, but also the necessary

canals and locks on the Lachine section further down the river. He can force the Beauharnois interests to do this, or refuse to make them any further grants.

It seems to me that that is the real crux of the whole situation. I agree with the suggestion made by the Prime Minister (Mr. Bennett) that this matter should be sent to a committee of the house for further investigation. Hon. members should be allowed to interview these men in order to ask questions. They should come here, place their cards on the table and give us all the information we need to discuss this matter intelligently. We would not have been in possession of all the information we now have in connection with the Beauharnois project had it not been for a rival financial group who had been worsted in the fight for this power. Both these financial groups should be called before the committee and asked to give us all the information they possess. It should be discovered whether or not the present Beauharnois canal will adequately serve the needs of navigation for the purposes of the St. Lawrence deep waterway. Technical advice should be available as to what should be secured to the people of Canada in exchange for the company being allowed to go ahead.

Mr. L. G. BELL (St. Antoine): Mr. Speaker, coming as I do from the city of Montreal only twenty-five miles from the Beauharnois canal, and in view of the fact that a great many distinguished citizens of that city are directly or indirectly concerned with the Beauharnois project and are working for its completion, I rise not to protest against the motion of the hon. member for Acadia (Mr. Gardiner) that an investigation be made of this project, but to say that I believe such an investigation will be welcomed as much by those connected with the Beauharnois Company as by those making the charges.

Hon. members should realize that this is one of the biggest projects ever undertaken by Canadians. Next to the Panama canal, it is possibly the biggest canal in the world. It will cost in the neighbourhood of some $75,000,000 when completed. I do not protest against the charges made this afternoon by the hon. member for Acadia, but in making those charges he must realize that the responsibility rests upon him and other hon. members in his corner of the house.

Several questions will be involved in any investigation regarding Beauharnois. In dealing with this subject the hon. member for Acadia referred to a citizen of Montreal, an outstanding engineer, a man with a genius for engineering possessed by very few Canadians, and who has worked eighteen years on this project. That man is attacked in the House of Commons by the hon. member for Acadia in these words: Sweezey and his associates are trying to acquire certain rights by fraud and conspiracy. The hon. member must realize the full purport of those words. When the investigation, suggested by the Prime Minister (Mr. Bennett) is being conducted, I hope the hon. member will then make his charges as they should be made, directly to the people charged. They should be given an opportunity to defend themselves against the charges, the evidence of which the hon. member claims to possess. Unless the charges are made in such manner, the purpose of asking hon. members to acquiesce in his demands is useless, the fact being that he along with other members in that corner of the house had ample time during the last two years to make those charges. I have no doubt that the action of hon. members in that corner of the house is in their view to all intents and purposes fully justified. I have full faith in their integrity, but I might say that the house is entitled to be given in no uncertain terms the facts upon which those charges have been based. First of all, the charges against those associated with the Beauharnois proposition should be clearly set forth, because charges have been made against them. Charges have been made against members of the upper house, the Senate, and those charges should be set forth in no uncertain terms. Charges have been made against hon. members on the opposition side, and possibly against hon. members on this side of the house, and those charges should be fully explained. Charges have also been made against the judiciary. Occasion was taken to refer to some lawsuits that are pending in the courts of Quebec, and I trust the hon. member for Acadia will be just as frank in making those charges against the judiciary of that province.

Mr. GARDINER: I did not make any charge against the judiciary of Quebec. I merely made a statement with regard to press reports.

Mr. BELL (St. Antoine): The hon. member for Acadia, if my memory serves me aright, mentioned the name of Acting Chief Justice Greenshields of the province of Quebec, and he must have had some reason for mentioning that gentleman's name. Will he, in making his charges, explain if he made any charges against the acting chief justice or will he make it quite clear why the acting chief justice's name was mentioned?

I do not intend to dwell upon the vastness of the Beauharnois project. As I stated, it

is the greatest undertaking ever contemplated by Canadians. I was thoroughly amazed by what the undertaking really meant. There is in operation at the Beauharnois plant one piece of machinery costing more than half a million dollars, and there has been expended on machinery alone more than $5,500,000 so far. For excavation purposes material has been removed amounting to more than 4,000,000 cubic yards. During the past year—and this is a very important matter for the city of Montreal—2,200 men have been on the payrolls every month, and at present 3,000 men are employed with an estimate of 3,000 other men making materials for the Beauharnois project. I am bringing these facts to the hon. member's attention, so that he may realize that, in submitting this question to the house he is making a very serious charge and one which affects Canadians everywhere. It affects not only the rights of Quebec but also the rights of the Dominion, and it is a question which, if it is possible for an investigation to settle it, should be settled by such a method. If the people connected with the project are not given a fair chance to proceed with their work, the work will be stopped and some action should then be taken whereby their interests and those of the people who have invested money in the Beauharnois project will be protected. I think hon. members in that corner of the house are assuming a little too much in advance that this canal will be taken over by the government. We in the province of Quebec, rightly or wrongly, have so far believed in private ownership. We may, be wrong. The people of Ontario may believe in public ownership, but strange as it may seem, the Beauharnois promoters, out of the 500,000 horse-power which they propose to develop, have already sold to Ontario by contract 250,000 horse-power.

Mr. LAVERGNE: Does my hon. friend contend that we in Quebec believe the navigation of the St. Lawrence should be in the hands of a private company?

Mr. BELL (St. Antoine): I do not intend to enter into any argument with my hon. friend regarding the navigation question, but my hon. friend surely realizes that the canal, which, when completed, will be twenty-seven feet deep, should take care of any navigation to the sea.

Mr. LAVERGNE: Undoubtedly.

Mr. BELL (St. Antoine): The channel from Montreal to Quebec, as my hon. friend knows, is not as deep as that.

Mr. LAVERGNE: Undoubtedly; but will it be the property of a private company and not of the Dominion.

Mr. BELL (St. Antoine): Surely my hon. friend realizes that neither the Beauharnois company nor any other private company will control navigation so far as Canada is concerned. No government would be so foolish as to permit navigation of the St. Lawrence to be left in the hands of any private corporation. There would be something wrong with any government that would handle that particular problem in such a way.

I come to a more serious part of this question, and I hesitate to make the statement. I am not interested in the Beauharnois; I am not retained by the Beauharnois, nor have I any connection with the Beauharnois. I am interested in Montreal, and I am interested in the development of Beauharnois if it is going to bring industries into the vicinity of Montreal. When that company has expended more than $5,000,000 in industrial lands, proposing to bring industries to Montreal and to give them power cheaper than it can be had in any other country on the face of the earth, naturally I should like to see such a project proceed to completion. That is the primary object which those of us have who look to the future of the Beauharnois development. I know nothing about the financing of it.

I am going to enlighten my hon. friend in regard to the other side of the picture. He has put forward certain views; undoubtedly he believes that they have been presented to him by people who have given him the facts. The facts of Beauharnois as I understand them are these: The original rights, as mentioned by the hon. member for Winnipeg North Centre (Mr. Woodsworth), were in the hands of one Robert. Robert had a charter from the Quebec government as far back as 1910. That was the Beauharnois Light, Heat & Power Company. Robert gave an option to the Transportation and Power Company for $10,000. Now comes the controversial question: Did he give an option or did he sell the rights to the land? On one side you have certain clients claiming he gave an option, and on the other the Transportation and Power Company claiming they bought the land. Naturally the hon. member for Acadia and those on the left will agree that the only way that question could be settled was in the courts. They went to the courts and after a decision had been given in Robert's favour, Mr. Sweezey and those associated with him, I understand, proceeded to deal with Robert Was that the end of the matter? Not at all. From then on the people who were dealing with Robert in the first instance immediately began their attacks on Sweezey and Beauharnois. Mr. Sweezey and those associated

with him went to the Quebec government for an extension of their charter rights. That involves another question that will have to be decided as between the provincial and federal governments. He got the powers under his charter extended for the widening of the canal and for the diversion of more water from lake St. Francis to lake St. Louis, as well as the right to build a power house on lake St. Louis instead of on the river St. Louis. He proceeded with that work.

The financing of this company was not done in a day. Four months after the actual construction work was started the first public financing was done. Several months later my hon. friend from Acadia brought this matter up in the house. I do not want to reflect in any way upon the intergrity of hon. members in that corner of the house. I wish to make that quite plain, but it does seem strange to me that all the time that Sweezey and those connected with the Beauharnois project were engaged in this gigantic engineering scheme, the greatest ever launched in Canada, involving the diversion of the railway line of the New York Central, the building of a bridge—

Mr. MERCIER (St. Henri): Two bridges.

Mr. BELL (St. Antoine): —the making of arrangements with four different townships so that the public roadway could pass, they should at the same time be faced with attacks from these other men who claimed that they had no rights to the canal proposition at all. An action was taken in the courts against those associated with the Beauharnois company to the amount of $7,000,000. What happened to that action? It was tried by Mr. Justice Duclos, and as my hon. friend from Acadia knows, on the second day of the trial the plantiffs desisted from the action. The principals of the Beauharnois company must have then felt that they were through with these constant attacks which were being made upon them. But a few months later an action was brought against the company or its associates in the amount of $10,000,000. It is not fair for the members sitting in that corner of the house to get up and accuse all those interested in Beauharnois. I am not at all concerned in the political faith of any member so far as this particular project is concerned. But there is another side to this picture. These men who have been bringing these actions at law have access to the courts. I refer particularly to Cantin, Regan, the Transportation and Power Company, and to Ecremont, none of whom is known to me, but these men claim, and my information comes from as reliable a source as I believe is open to hon. gentlemen in that corner of the house, that amounts running from one million down were demanded for settlement; otherwise they would bring the matter up on the floor of the House of Commons.

The hon. member for Acadia has made his charges on the floor of the House of Commons, and has been promised a committee for the investigation of the charges against the Beauharnois company. I want him to be fair towards those associated with that project and to put everything before the committee in the most straightforward manner. I feel sure that he will do so. There is no reason so far as I can see why this investigation should not settle once and for all the question of provincial and federal rights so far as Beauharnois is concerned, and why the people who have invested their money in Beauharnois should not be given a fair opportunity to see the project develop. As I say it is a project owned by Canadians, financed by Canadians, in Canadian territory, and built for the purpose of attracting industries and providing them with the cheapest power in the world. I do not see why thousands of men should be thrown out of employment, and their families made to suffer for a day longer than is absolutely necessary, and I appeal to the right hon. the Prime Minister, as soon as the charges have been properly brought forward, to expedite this investigation and let us have an end of it, and the settling once for all of this Beauharnois argument about which we have heard so much

Hon. J. C. ELLIOTT (West Middlesex): It is not my intention to dwell at great length on the arguments which have been adduced by the hon. member for Acadia (Mr. Gardiner), the hon. member for Bow River (Mr. Garland) and other hon. members who have spoken in this debate, but there are one or two phases of the argument to which I should like for a short time to direct the attention of the house.

First of all may I invite attention to the argument made by the hon. member for Bow River, an argument following somewhat the line of his remarks on the subject a year ago except that his main argument to-day is that there was no right in the federal government to approve of plans for the diversion of water. The hon. member made a speech in his usual excellent manner on this very subject during the session of 1930, but then he never raised the main argument which he has used to-day as one of his objections to the scheme. To-day it is his main objection, that the government had no jurisdiction to approve of the

plans, that the Minister of Public Works and the government in granting approval were going beyond their jurisdiction. He cited section 4 of the Navigable Waters Protection Act in proof of his statement. May I read section 4 of that act, which has been read already a couple of times:

No work shall be built or placed in, upon, over, under, through or across any navigable water unless the site thereof has been approved by the governor in council, nor unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council.

That is what he based his whole argument upon. Apparently he has not read paragraph (b) of section 2 of the act, which defines "work" as follows:

. . . . "work" includes any bridge, boom, dam, aboiteau, wharf, dock, pier or other structure, tunnel or pipe, or telegraph or power cable or wire and the approaches or other works necessary or appurtenant thereto, or any work, structure or device, whether similar in character to the foregoing or not, which may interfere with navigation.

If my recollection serves me aright, that last part was inserted after the act had been in force a couple of years so as to make it cover practically everything. That act has been administered ever since by a department of this government; diversions of water have been granted under its terms and have been dealt with by the various governments which have been in power in this country since that time. That I want to make perfectly clear. There is, I submit, no work that might interfere with navigation which is not covered under this act; and I think it will appeal to hon. members of this house that the spirit of the act could not be carried out if any work which might possibly interfere with navigation were omitted from the purview of that legislation.

What was the position of the government when this application was made? My hon. friend from Southeast Grey (Miss Macphail) spoke about the policy of public ownership. That matter, I may say, had been settled when the application was made. This was water belonging to the province of Quebec. Unless it belongs to the province of Quebec, then there is no approval granted for diversion of it. The terms of the order in council make that perfectly clear. I do not wish to deal in detail with the terms of the order in council, but all reasonable safeguards which could have been taken will be found upon investigation to have been taken. The lease which was brought to the government by the applicant was a lease from the province of Quebec of such flow of the river St. Lawrence at that particular point, not exceeding 40,000 cubic feet per second, as belonged to the province. It was not water that belonged to the Dominion of Canada; it was not water over which the Dominion had jurisdiction, except in so far as navigation was concerned.

That application was brought in, and the whole question for the department to decide was as to whether or not that 40,000 cubic feet of water per second could be diverted without interfering with navigation. That was an engineering problem which it took months to settle definitely; and the duty of the department, and of the government of which that department was a part, was to refuse to approve of the plans if it was going to interfere with navigation. And the duty was just as obvious to approve of the plans if it did not interfere with navigation.

The matter was reported upon by the most competent engineers in the land—and I believe my hon. friend the present Minister of Public Works will agree with me that they are very competent engineers in that department. They were very busy and they called in the assistance of other engineers, most capable men; and after very careful consideration they decided that if certain safeguards were observed they would approve of these plans, provided the water were diverted by a channel. And the channel is defined, I think, as 600 feet in width. It will be one of the best canals in the world, a canal which will not only not interfere with navigation but which will make for better navigation than there is at the present time along any other section of the St. Lawrence anywhere in that district.

So that so far as navigation is concerned, those interested are amply protected by the conditions which were imposed at the time the plans were approved. So far as the province of Quebec is concerned, they have rights to whatever water belongs to them and over which they have control. And they have a right to have the government say whether or not the plan that they propose shall be followed. What would be the position of this government if a lessee should come to them and say, "I have a lease from the province of Quebec of certain water rights. If the rights do not belong to the province they are not covered by this lease, but we want approval by you of plans to divert such waters as are owned by the province of Quebec". Suppose they put forth plans which our engineers inform us are sufficient to provide for these waters and to give good navigation —and I do not think anyone will contend that it will not be the very best navigation possible; the government, I sumbit, has no alter-

native in that event but to approve of these plans, provided the conditions are complied with.

That is the situation so far as jurisdiction to approve of the plans is concerned. It is not the first time it has been exercised. That question was never raised before. It was not raised by the hon. member for Bow River (Mr. Garland in his address last year. Perhaps the most capable lawyers in this country were opposing the approval of these plans at the public hearing which took place, and not one of these lawyers suggested for a moment that there was no right, no jurisdiction in the department to approve of the plans. The plans were approved, provided all these safeguards were taken. The condition was attached that if at any time it should be discovered that any part of this 40,000 cubic feet of water did not belong to the province of Quebec and was not properly conveyed in that lease, then the approval should be void and the diversion should cease.

I think there is a great deal of misapprehension as to what the present situation is. I am sure the hon. member for Acadia would not intentionally mislead the house, but I rather gathered that he thought the water had been diverted without the plans having been approved. If my recollection is correct —and the present Minister of Public Works will correct me if I am wrong—none of this water has been diverted up to the present time.

Mr. LAVERGNE: It is going to be.

Mr. ELLIOTT: My hon. friend has great faith. I think he is right. But there is a certain bank of land left at the point from which the water is to be diverted, and that, I understand, will not be taken away until the plans are all thoroughly approved by the minister. I do not understand that any of the water has been diverted up to the present time.

I had not intended to speak at any length, and I am very glad that the Prime Minister has intimated that he will have the matter referred to a committee. I hope that, in looking into the question, the committee will go thoroughly into every aspect of it which has been brought up from time to time by various critics of this scheme.

I wish to say just one word more. When the debate took place a year ago on the motion of the hon. member for Acadia to adjourn the house to discuss a matter of urgency, the motion was withdrawn. The matter was one of urgent importance at that time and apparently, a year later, it is still urgent, only, the urgency is of a little different nature from what it was at that particular time. Several of the reasons for the urgency were not given at that time.

I think it is well in business matters—and this is one of the most important that ever came before any department of government—that they should be thoroughly considered, and I am confident that when the committee go carefully into the matter they will be satisfied that the most complete safeguards were placed around the approval of the plans and the manner in which the water was to be diverted.

There is some question, of course, as to the ownership of the whole flow of the St. Lawrence, which, if I recollect correctly, is about 200,000 cubic feet per second. Part of this flow had been leased to various other concerns, and with the 40,000 cubic feet per second leased to the Beauharnois company there still remains a balance perhaps double what this diversion amounts to. But the government could not justify waiting to have the question of ownership settled, for the reason that when the matter was before the supreme court hon. members will recall that their lordships stated in effect: "We cannot find specifically upon the points submitted to us. We must have a concrete case. We are not going to give judgment upon theories. When a concrete case arises it will be decided, and until then it cannot be decided." So that the absolute ownership of all the flow of water cannot be settled until a concrete case arises and is decided by the courts. But this portion of the river being situated entirely in the province of Quebec, I think there can be no question that at least the 40,000 cubic feet proposed to be diverted by this particular work will prove to be the property of that province. If not, we are protected by the order in council, and the right to divert ceases upon any judgment being given by the supreme court that the whole or any portion of the water does not belong to the province of Quebec.

I do not propose to discuss the matter further at the present time. I have no doubt it will be thrashed out before the committee. But I did want to place before the house in as fair a way as I could just what question was submitted to the department and just what position the department took in dealing with it. The action taken was in accordance with what has been the practice of the depart-

ment for years, and I think the committee will find that the department acted with as much care at least as has been exercised in any similar case which has ever come before it.

Mr. LAVERGNE: Will my hon. friend allow me a question on the ownership of the water? Suppose the department had come to the conclusion that the water to be diverted belonged to the Dominion, would the late government have granted the permit to the Beauharnois company?

Mr. ELLIOTT: Of course my hon. friend is asking me the same kind of question that the supreme court refused to answer, and I think I should follow the precedent then established.

Mr. LAVERGNE: Their case was not yours.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I am not sure that I can add anything of value to the discussion which has taken place, but apart entirely from the interest which a member should take in a question of some importance, I have perhaps a peculiar interest from various points of view. In the first place, I happen to come from the province of Ontario, which perhaps more than any other, with the exception of the province of Quebec, is interested in the development and use of this power from the St. Lawrence river. In the second place, I am and have always been a strong advocate of public ownership—public ownership of water powers, natural resources and other services which are in a sense monopolistic, or may become monopolistic, and upon which the prosperity and welfare of the people generally depend. I have always felt that in such cases I would even go further than we have gone in this country in some respects. I have always felt that water powers and other services of like nature should remain, if not in the ownership and operation of the people themselves, at least very definitely under the control of the people. Then, finally, I have a peculiar interest in the question because I happened to be a member of the government which passed the order in council that we are now considering.

As I have said, I have always been predisposed to public ownership, and when the matter of the Beauharnois lease came up I, for one, as did most of my colleagues in the government of that day, hesitated to pass the order in council, not feeling quite sure whether we had the right to do so, and it was only when I felt satisfied that we had not only the power but were under a moral obligation to issue the order in council, that as a member of the government I consented to the passing of the order.

The matter then to my mind had to be considered from three points of view: first of all, that the water power does belong to the provinces; second, that the 42,000 cubic feet per second allotted did not interfere with the navigation of the river; third, that the government had legal authoritiy to pass the order in council. I am not a lawyer, I am not an engineer, and so far as I was concerned I felt, as also I think did most of my colleagues in the government of the day. that we had to take the advice and the opinion of those who were best qualified to judge in these technical matters.

Mention has been made of the reference to the supreme court of questions in regard to the ownership of these water powers as between the provinces and the Dominion. While no definite opinion was given by the supreme court, I think it was pretty well understood from the judicial deliverance later handed down that water powers situated entirely within a province do belong to the province itself. I do submit that with respect to a stream which is not navigable and is entirely within the borders of a province the water power does undoubtedly belong to the province; therefore it is logical to conclude that where a navigable stream is entirely within the confines of a province, the water power should also belong to the province so long as navigation is conserved.

I might say further—and perhaps in this my right hon. leader will correct me—that I think we, as a government, also came to the conclusion that as a matter of policy and as a matter of moral right it was advisable and proper that the water-powers of any stream, whether navigable or not, always having regard to the protection of navigation where appropriate, should and do belong to the provinces themselves. That was proven, I think, by the fact that when the former premier of Ontario, Mr. Ferguson, made application to develop hydro-electric power on the international section of the St. Lawrence no objection was raised, and permission was given, although the project was never gone on with by the Ontario government. I might say further—and it was referred to by the hon. member for Southeast Grey (Miss Macphail) this evening—that I believe it is true that had it not been for the contract made by the Hydro-Electric Power Commission of Ontario to take some 250,000 horse-power for a period of 40 years at $15 per horse-power,

it would have been practically impossible for the Beauharnois corporation to float their bonds and continue their financing. I do regret that the power to be developed on the St. Lawrence river does not remain under public control, perhaps developed by the provinces. However, as has been stated here by the hon. member for St. Antoine (Mr. Bell), while the people in the province of Ontario very largely believe in public ownership, the people in the province of Quebec are not of that opinion. They have a perfect right to believe in the benefits and the merits of private ownership as compared with those of public ownership.

I have stated that we were convinced that the water-power in this section of the river, being entirely within the province of Quebec, belonged to that province and that all the Dominion government had to do was make certain that in the development of the power derived from the 40,000 cubic foot diversion, navigation was safeguarded and not interfered with. Some reference was made this afternoon by one of the speakers to the fact that the abstraction of 40,000 cubic feet from the river did interfere with navigation, or at least that there was some doubt about it. I am not very clear on all the details of this transaction. I have not had time to look them up, to write them out or have somebody else write them out for me, but I am very firmly of the impression—and the former Minister of Public Works (Mr. Elliott) bears me out in this—that the most capable engineers we could possibly secure said very definitely that the abstraction of the 40,000 cubic feet per second did not interfere with navigation on the St. Lawrence river. Therefore, assuming that the power did belong to the province; if it was also a matter of policy as far as the government was concerned that the water-power should go to the province—and I for one am in favour of that—further, if we were quite sure that navigation rights were protected, I was of the opinion and the government of the day was of the opinion that we had no moral right to refuse to sanction those plans. I never had any doubt as to whether the government had legal power to pass the order in council; as far as I am concerned I did not know the question had been raised. However, that is a legal question, and I do not see how even a committee can decide as to that. I should think it would be up to the courts to decide finally, though possibly in view of the reflections which have been made upon certain judges my hon. friend to my left will not even consent to have the courts decide it.

[Mr. Euler.]

I am glad a committee is being appointed, although I believe the committee may have its difficulties. For instance, the Beauharnois corporation is a provincial company, and I have some doubt as to the jurisdiction of any committee of this house to investigate anything that is of provincial origin. However, it will be well to have the committee. I do not know how far it can go, but I trust that in making the reference to that committee my right hon. friend the Prime Minister will make it sufficiently broad and specific so that the pharisaical accusations which have been made this afternoon will be cleared up, together with other points of law and of policy.

Mr. GARDINER: If no other hon. member wishes to speak I should like to say just a few words to conclude the debate.

Mr. SPEAKER: If the hon. member for Acadia speaks now he will close the debate.

Mr. GARDINER: It is not necessary for me to say very much in closing the debate, Mr. Speaker, since the Prime Minister has consented to the appointment of a committee of this house to investigate this whole matter. With the hon. member who has just taken his seat (Mr. Euler) I also suggest to the Prime Minister that the reference to this committee be wide enough to include all matters which might come within the scope of such an inquiry.

The former Minister of Public Works (Mr. Elliott) made a few statements during his address to which I think attention should be directed. In the first place, he was thoroughly convinced in his own mind that this water belonged to the province of Quebec. Then later on in his address he said he was not quite sure whether it belonged to Quebec or to the Dominion of Canada, because that matter was not definitely settled, so the latter part of his address was rather a contradiction of the first part. I am of the opinion that this matter should not be proceeded with until the rights of the provinces and of the Dominion are determined. I am also of the opinion that all this trouble would have been largely avoided if the Dominion government had resorted to the final court of appeal for a decision as to who owns the water in this river.

I will go further, Mr. Speaker; I will say that we in western Canada believe we have some rights in this river. We maintain, and I think we are right in maintaining, that this is not only an international river but a national river as well, in which all the people of Canada are interested, those of the maritime provinces as well as those of the west and

central Canada. I maintain that before any such authority as this should have been given, the rights of the provinces and the Dominion should have been determined. This should have been done before the order in council was passed and work permitted to proceed; because after all is said and done the claims of the whole people of Canada are more important than the claims of the people of any province. The court of last resort should have been appealed to in order to determine this point.

The former Minister of Public Works quoted the Navigable Waters Protection Act, reading subsection (b) of section 2 and section 4. After he had read those sections he said, "Why, here is our authority to pass this order in council to divert water from the St. Lawrence." I will challenge any member of this house to show me any section in this act giving the government power to pass an order in council to divert water from a navigable stream. There is no such section in the act and there is no reference to that power being given any government. If the bill had come before parliament, this house would have had the right to permit the diversion of water from a navigable stream, but there is no question in my mind that the act gives no power to any government to permit that diversion by order in council.

This is one of the important points at issue, and it is a matter which should be inquired into. My hon. friend from St. Antoine (Mr. Bell) made reference to certain companies which were contending with each other in the courts with regard to certain alleged wrongs done by one to another. I do not know very much about those matters; I have heard rumours, but I have not inquired into the merits of the claims of these companies. I am not interested in any company, whether it is the Beauharnois company or a company claiming damages from that company. I do not know anything about these companies beyond the odd references which have appeared in the press from time to time. I am not connected with any of them and am not interested in the success or failure of any of them. We have not raised the issue on that point, and we are not bringing up the matter on behalf of either of those companies. My hon. friend may rest assured that that is not the case as far as I am concerned.

I stated a few moments ago that I hoped the Prime Minister would make this reference wide enough to include all matters of importance in regard to this particular question. In order to obviate any possible recurrence of what has taken place in regard to the development of this particular section of the St. Lawrence river, it should be the duty of the present government or any government which may be in power to have this matter referred to the court of last resort so that the people of Canada will know where they stand.

With the permission of the house I will withdraw my motion.

Motion (Mr. Gardiner) withdrawn.

SUPPLY—GRAIN RATES

AMENDMENT TO MOTION OF MINISTER OF FINANCE

Right Hon. R. B. BENNETT (Minister of Finance) moved that the house go into committee of supply.

Mr. THOMAS REID (New Westminster): Mr. Speaker, before you leave the chair, I desire to discuss a question which I believe to be of urgent importance, namely the matter of domestic freight rates which are at present affecting adversely the farmers of British Columbia, and before I sit down I intend to move an amendment to the motion to go into supply.

I realize that this question has been before the house many times, but I doubt very much whether the question of domestic freight rates was ever of more importance or presented graver possibilities to the poultrymen and those who keep dairy stock in the province of British Columbia than it is at the present time. It is not my intention to labour the question with a mass of statistical data, or unduly to delay the business of the house, but speaking on behalf of those in British Columbia who are dependent on the poultry and dairying industries for their livelihood, I must say that the time has long passed for the reduction of the present discriminatory domestic freight rate on grain and its products moving west to British Columbia. The matter, I say, is urgent; I believe it is important and serious enough to warrant the immediate attention of the government.

It is quite true that the question of railway rates has been discussed previously in this parliament and has been argued before the Board of Railway Commissioners in years past, but the fact remains that the poultrymen in British Columbia have never been in such dire straits as they have been during the past few months, and the same may be said of the farmers on the prairies who have their grain to sell. I intend to plead as best I can the case for these people in the sincere

hope that the government will take speedy action to remedy what has been a long-standing grievance.

Since coming to Ottawa I have been surprised at the seeming lack of information on the part of many hon. members with regard to the position of British Columbia in her fight for a revision of the domestic freight rates. I intend to review the situation as briefly as possible and to show that the domestic freight rates to British Columbia from eastern points are discriminatory and unfair, not only in relation to export rates but as compared with the rates applicable to other sections of the Dominion. I believe I will be upheld in my argument by every fairminded member, because I do not think any hon. member will deny that the province of British Columbia is just as much entitled to equitable treatment in the matter of railway rates as is any other province in Canada. To my mind British Columbia since confederation has been treated more as an orphan than as a rightful and important member of the confederation. To obtain an intelligent view of our case it will be necessary to cite authorities dating from before confederation down to the time of our becoming a part of the Dominion in 1871.

One of the inducements offered to British Columbia, then a colony, to join the Dominion was a promise to construct a railway to establish speedy communication with other parts of the Dominion of Canada and at the same time to link up the Atlantic with the Pacific. To present the full facts it is necessary to go back to crown colony days. The preamble of the British North America Act of 1867 sets out that the provinces of Canada, Nova Scotia and New Brunswick desired to be united with a constitution similar in principle to that of the United Kingdom, and that such a union would conduce to the welfare of the provinces and of the British Empire. The dominating influence was that confederation was necessary to the empire as a whole, and provision was made for the admission of other parts of British North America into the union. It is the violation of this spirit of unity which has brought about the unjust conditions which we are now requesting should be removed. The inducement offered by the imperial government to British Columbia to join confederation is contained in the following quotation from the despatch of Earl Granville:

> Most especially is this true in the case of internal transit. It is evident that the establishment of a British line of communication between the Atlantic and the Pacific oceans is far more feasible by the operation of a single government, responsible for the progress of both shores of the continent, than by a bargain negotiated between separate, perhaps in some respects rival, governments and legislatures. The San Francisco of British North America would, under these circumstances, hold a greater commercial and political position than would be attainable by the capital of the isolated colony of British Columbia.

The proposed terms of the union which were drawn up read as follows:

> Inasmuch as no real union can subsist between this colony and Canada without the speedy establishment of communication across the Rocky mountains by coach road and railway, the Dominion shall, within three years from date of union, construct and open for traffic such coach road from some point on the line of the main trunk road, and shall further engage to use all means in her power to complete such railway communication at the earliest practicable date, and that surveys to determine the proper line of such railway shall be at once commenced, and that a sum not less than one million dollars shall be expended in every year, from and after three years from date of union, in actually constructing the initial section of such railway from the seaboard of British Columbia to connect with the railway system of Canada.

Negotiations varied the proposed terms to some extent, but the dominant thought throughout was railway connection between the Atlantic and the Pacific. Section 11 of the terms of union agreed upon as a result of Earl Granville's despatch reads as follows:

> The government of the Dominion undertake to secure the commencement simultaneously within two years from the date of union, of the construction of a railway from the Pacific towards the Rocky mountains, and from such point as may be selected, east of the Rocky mountains towards the Pacific, to connect the seaboard of British Columbia with the railway system of Canada; and, further to secure the completion of such railway within ten years from the date of union.
>
> And the government of British Columbia agrees to convey to the Dominion government, in trust, to be appropriated in such manner as the Dominion government may deem advisable in furtherance of the construction of the said railway, a similar extent of public lands along the line of railway throughout its entire length in British Columbia, not to exceed, however, twenty (20) miles on each side of the said line.

It will be noticed that British Columbia was called upon to contribute a large grant of land in addition to her share of the other burdens put upon the nation by the construction of the transcontinental railway. In addition to this huge land grant British Columbia gave up many years before the railway was completed her customs tariff, which under the agreement she had the right to retain until the completion of the railway. An important fact which is not generally known is that the Dominion Railway Act, in

force in 1871, made illegal any discrimination of toll. Subsection 6 of section 12, chapter 68, reads:

> All or any of the tolls may by any by-law be reduced and again raised as often as necessary for the interests of the undertaking, but the same tolls shall be payable at the same time and under the same circumstances upon all goods by all persons or class of persons by any by-laws relating to tolls.

Some hon. members have said that they are not lawyers. I have made it clear that I am not a lawyer and I have no desire to be one, but I would say that no discrimination would have been possible under that section. In the Railway Act of 1879 the same proviso was included, providing against discrimination of tolls. However, we may differ as to that, the construction of the transcontinental railway was the dominant factor in inducing British Columbia to enter confederation, and I think I am stating a well founded belief when I say that had the people of British Columbia at that time known or been told that higher railway tolls would be exacted from her people than from the people of other parts of the Dominion, it is doubtful whether at that time she would have entered confederation and so become part of the Dominion of Canada.

The Dominion, as many hon. members know, entered into an agreement with the Canadian Pacific Railway Company to construct a line. It may be argued that the terms of union were not binding upon the Canadian Pacific Railway Company. When were any terms binding on the Canadian Pacific? The Canadian Pacific Railway Company certainly knew at that time that the Railway Act of 1868 did not allow them to discriminate as to freight tolls.

Regarding the construction of the first railway to the coast, it is not as well known as it should be that a route had been surveyed and laid out by the Dominion government over which the Canadian Pacific had contracted to build a railway to the Pacific coast. The Canadian Pacific did not adhere to that contract, and, instead, built the railway some 200 miles south of the proposed route and over the Rockies. Had the Canadian Pacific adhered to the route contracted for, there would not have been any mountain grades or mountain construction in British Columbia. As many hon. members know, the land in the Dominion of Canada slopes to the north, and the route which the Canadian Pacific abandoned as being no good is now the excellent route that was chosen by the Canadian National Railways and is now used by their line from Vancouver to Edmonton, and which by the way is some 1,600 feet lower than the route chosen by the Canadian Pacific. If the Canadian Pacific had taken the Yellowhead pass route, the mountain differential in all probability would never have been put into effect. If, however, the Canadian Pacific blundered, and the parliament of Canada erred in permitting the change, that is no justifiable reason why British Columbia should be called upon to pay the whole cost of the error of the whole of Canada. The grades over the Canadian National railway route are nothing like those over the route used by the Canadian Pacific. It has sometimes been remarked: Look at what the Canadian Pacific has done for Canada. But having regard to the large subsidies paid by this country to the Canadian Pacific and the enormous grants made to them of the best of our lands, I think hon. members will agree with me when I say: Look at what this country has done for the Canadian Pacific. I am going to mention some of these subsidies. In cash the Canadian Pacific received $25,000,000; in constructed railways and services, another $38,000,000; in cash in exchange for subsidy lands, over $10,000,000, and a total of 18,000,000 acres of some of our best lands. In this way the Canadian Pacific easily received well over $110,000,000 from the Dominion of Canada.

The rate discrimination of the Canadian Pacific has always been resented by British Columbia. In 1906 and 1910 it was contested before the Board of Railway Commissioners, without result. Failure to obtain a removal of the discriminatory rates was one reason for the agreement of the Canadian National Railways to construct its line over the route originally contemplated by the Canadian Pacific, and this agreement was justified largely on the ground that such a road would reduce rates in that province and permit British Columbia to get into the consuming markets of the prairies on rates that were reasonable and just, and that the rates known as mountain scale rates would be eliminated.

In order to be certain that there would be no misunderstanding of what these new rates would be, the government of the day entered into another agreement intended to guarantee absolutely the promised reduction in railway rates. The agreement is contained in chapter 3 of the statutes of British Columbia, but at the moment I have not time to read the section dealing with it. The province at that time was very much alarmed regarding the rates, and was taking every precaution to see that there would be no further discrimination. The object of the then

premier, Sir Richard McBride, in entering into the agreement, was not only to secure lower rates on the Canadian Pacific but also to force the general rates down to a reasonable point on any other transcontinental railway. British Columbia at that time was willing to guarantee $40,000,000 to another railway, so resentful did she feel over the Canadian Pacific. This, however, was going to place a competitor in the railway field, a factor which was not at all relished at the time by other private interests, and especially with the province of British Columbia backing those new railways to the limit. But, Mr. Speaker, I ask you to note what happened. The Dominion of Canada was, I believe, importuned to some extent, and passed an act in 1914 simply declaring the Canadian National Railways, to be a work for the general advantage of Canada, thus at one stroke taking the power of fixing rates out of the hands of the province of British Columbia. I believe I am right when I say that the Canadian Pacific were the first to suggest such a line of action to the Dominion government. That is a brief history of the railways and railway companies of British Columbia since the day the province entered confederation, and I believe it should be more fully known that it is at present; for it is well, in my opinion, that these facts be had in mind before one proceeds with arguments as to the merits of our claim which are even more convincing.

I do not intend to make any extended argument in regard to freight rates generally, because, first, I do not wish to take up the time of the house in any general discussion, and, second, I want to keep to the main purpose of my address, which aims at this time only to bring about the necessary relief to the many purchasers and users of grain in British Columbia. The arguments from the point of view of the prairie farmers as sellers of grain can very well be left to hon. members from those districts. I intend, therefore, to confine my remarks to the discriminatory domestic freight rate which is operative against the province of British Columbia and which we in British Columbia are called upon to pay on all grain and its products purchased in Alberta, Saskatchewan or Manitoba for domestic use. The freight rate on grain for export from Calgary is some 20 cents per 100 pounds, while the rate for domestic use is 41½ cents per 100 pounds. We claim not only that the rates on grain for domestic purposes are excessive, but that the rates on grain for export are much higher through the port of Vancouver than they are to eastern points.

I contend that a domestic rate of 41½ cents per 100 pounds as against 20 cents for export is both excessive and discriminatory and is acting as a real barrier to our progress and development. While I am aware that the principle advanced by the railway companies is that export and domestic rates on any particular commodity, being based on different conditions as to marketing, may properly differ in amount for the like per mile service, I affirm, however, that from all the arguments advanced or presented on behalf of the railway companies before the Board of Railway Commissioners, no statistical evidence has yet been given, so far as I am aware, to substantiate the rates charged on grain westbound to Vancouver by either the Canadian Pacific or the Canadian National.

British Columbia, as we all know, produces less wheat than any other province in proportion to her population, and so the question of rates on grain and flour for local consumption is of far greater importance to every section of her people than to those of any other province of Canada. We in British Columbia at least should have rates the same as the lowest accorded to any of the other provinces. From prairie points eastward to Fort William, there is no difference between the rates on grain and flour for export and those on grain and flour for domestic use. Why should there be such a difference to British Columbia? The population at the head of the lakes get the full benefit of an export rail rate on their domestic supplies, which are, by the way, not large enough to be considered as a factor in the case. In fact they are hauling grain for domestic purposes from points in Saskatchewan to Fort William or Port Arthur for as low as 19 cents as against 41½ cents per 100 pounds to British Columbia, although the distance is only half as great. In this way the greater part of the two larger provinces of the Dominion may receive the bulk of their domestic supplies of wheat and flour at export rates.

Let us bear in mind also that the domestic rate which we pay is for inferior grades of wheat, not for No. 1 or No. 2 northern. Let us see just what some of these rates are. The all rail export rate from Fort William to Montreal is 34½ cents per one hundred pounds. The domestic rate is 37½ cents, which is just three cents higher than the export rate. Mark this; the rail distance from Fort William to Montreal is 992 miles, which is greater by more than one-half than the distance from

Calgary to Vancouver, which is only 642 miles on the Canadian Pacific railway. In the face of those figures, surely British Columbia is entitled to some fairer treatment than she now receives at the hands of the railway companies. A domestic rate of three cents over the export rate from prairie points to Vancouver would represent the same difference between domestic and export rates as now prevails on the all rail grain movement from Fort William to Montreal. But it would not put us in the same favoured position as Montreal, because central Canada generally, including Montreal, gets the bulk of its domestic supplies at export rates.

The argument is generally put forward that the reason the rates on grain and flour are much higher westbound than eastbound is found in the so-called physical difficulties in getting into British Columbia. I would point out, Mr. Speaker—and I believe it is important information which should be more fully and generally known—that according to evidence submitted before the Board of Railway Commissioners in 1926, not only were the construction costs greater in some of the other provinces than in British Columbia, but the cost of maintenance is less in British Columbia than in many of the other provinces. The wrong impression in this respect which has prevailed for a considerable time should be corrected, and in my opinion now is the time to make the correction.

I am going to give a few instances as to the cost of construction at other points in Canada as compared to the cost through the Rockies. From Kamloops to Hope, 168 miles, cost $133,563 per mile; eastern Canada, Montreal to Ottawa, 111 miles, cost $178,614 per mile; British Columbia, Hope to Fraser River junction, 77 miles, cost $51,544 per mile; eastern Canada, Joliette to Garneau Junction, 61·49 miles, cost $62,394 per mile; British Columbia, Fraser River Junction to Grandview, Manitoba, 1,381 miles, cost $55,572 per mile; Montreal to Winnipeg, 1,451 miles, cost $59,313 per mile.

With regard to the cost of operation, the Canadian Pacific Railway have submitted a statement, which can be found at page 142 of the report of the Board of Railway Commissioners for the year 1925, setting out the operating cost per gross ton mile throughout its system by districts.

The Canadian National Railway shows that the operating costs in 1925 per mile of road in British Columbia were $3,825.50, and in the prairie districts, $4,707.34 per mile. In British Columbia the operating expenses were shown to be about the same as in Ontario, and less than in Quebec and New Brunswick.

It is perfectly clear to me, Mr. Speaker, that unless the rates are adjusted to allow all traffic to move more freely, and with the proper degree of freedom between the prairies and the Pacific coast, the purpose of the construction of the Canadian National railway to Vancouver will not have been achieved and the money paid by the Dominion treasury to secure its construction will in a large measure have been thrown away.

I have endeavoured to place before the house important and general statistical facts, such as:

1. The conditions under which British Columbia entered confederation.

2. The conditions under which British Columbia was asked to enter the Dominion of Canada, and the inducements offered to her, which were rail connections with the Atlantic.

3. The large grants of land which British Columbia gave for the building of the railway.

4. The fact that the Railway Act of that day prohibited the imposition of discriminatory tolls.

5. The varying of the act of 1868 so as to permit an inequality of treatment, being a direct violation of the spirit of the terms of union.

6. The fact that the Canadian Pacific Railway Company changed the excellent route laid down for them by the Dominion and chose for themselves a more difficult route, because it was shorter by some 130 miles.

7. The fact that the Dominion government took away from the province of British Columbia the right British Columbia had, up to that time to fix and control the rates and tolls of the Canadian Northern Pacific by simply declaring the work to be for the general benefit of Canada.

8. I have also given figures which have been sworn to before the Board of Railway Commissioners, proving that the cost of construction was greater in some of the eastern provinces than from Alberta to British Columbia, and

9. Figures submitted by both the Canadian Pacific Railway and Canadian National Railways showing that operating costs were less in British Columbia than in many other provinces in the east, and

10. The pusher mileage is also less in British Columbia.

In regard to the Canadian Pacific railway rates, I would just mention this fact for the benefit of hon. members. The Canadian Pacific Railway are to-day charging for an extra 130 miles from Calgary to Vancouver which does not exist, and are levying rates on that non-existent mileage. They get a further advantage over the Canadian National Railway in that the present terminus of the Canadian National is located at Port Mann, seventeen miles from Vancouver, and it costs the Canadian National over $13 for every car of grain they move from their terminus to Vancouver. So the Canadian Pacific Railway have that advantage of $13 per car over the Canadian National, together with the advantage of levying rates on a non-existent mileage of 130 miles.

In view of the ten very important arguments which I have presented to this house, I ask hon. members, is it just and equitable in the face of all this evidence that freight rates, both export and domestic, but especially domestic, should be higher west to British Columbia than to points in eastern Canada? Think of the injustice of the people of British Columbia being called upon to pay a toll of 41½ cents per 100 pounds for the grain they have to purchase from the farmer on the prairie, whereas the people of eastern Canada can procure this grain and grain products for domestic use at export rates, and can export at rates which are even less than the export rates charged to Vancouver. Is it any wonder that the people of British Columbia are dissatisfied with such treatment?

I should like to give one figure as to the loss on grain that went into British Columbia for domestic use last year. From figures that have been furnished to me, approximately over two million bushels of grain and grain products were shipped into British Columbia for domestic use last year, and with the domestic rate over twice the rate charged on grain for export purposes, the farmers of British Columbia lost, due to this rate, the sum of $260,000. If the rate had been the same as the export rate that money would have been saved to the people of British Columbia.

Let me say a word as to the effect which this discriminatory domestic rate has upon the whole province. It has helped to put many of our poultrymen out of business. Some explanation is necessary in this connection of the physical characteristics of the country. The land in the lower Fraser valley comprises, generally speaking, two classes of soil, alluvial lands and lands of volcanic nature, all of which were heavily timbered lands. I believe I am safe in saying that the greater proportion of our lands cannot be looked upon from a strictly agricultural point of view alone. We have thousands of acres of beautiful soil and these are admirably adapted to the raising of poultry and fruits of both small and large varieties. The lands are generally speaking, in the lower Fraser valley, subdivided into small holdings and great numbers have embarked upon the poultry business. Had it not been partly for these conditions, I believe that many thousands of our acres would not have been cleared of stumps and occupied as they are to-day. It costs between $400 and $500 to bring one acre under cultivation, and the owner has to accept a distinct monetary loss if he wishes to dispose of the land on the open market after he has cleared and put it under cultivation. The poultry industry has been primarily responsible for the great progress and development of the lands in the lower Fraser Valley, and, as I have stated, no farmer would spend the large amount of capital and labour required to clear these lands for purely agricultural purposes. But with the climatic conditions equal to if not better than those of California for poultry raising, hundreds of families have embarked on small holdings, and with great energy and some zeal not only have endeavoured to earn a decent livelihood for themselves and their families, but have helped in large measure to the building up of our country as well.

Ranching, as it is generally called in British Columbia, is not by any means a lazy man's job; only those of us who have tried it, know of the very exacting and heavy work required. And let me tell some hon. members who are prairie farmers something: there is no branch of farming that is of so exacting a nature and calls for longer hours of work every day, 365 day a year, than does that of poultry farming; and in your spare time, if you have any, you can wrestle with stumps 4 to 7 feet in diameter. British Columbia, however, although the finest and best adapted province in the whole Dominion for poultry and for stock-feeding, is by nature removed from the great grain areas of Canada. The poultry industry has however steadily increased during the past number of years, and whilst the people of British Columbia have worked hard and paid out many millions of dollars during those years for the produce required from the prairies, we should not have had to pay this extra money if British Columbia had only had the same treatment as the other parts of the Dominion. We have now reached the point where great numbers

are leaving the ranches. Numbers of others heavily in debt are being carried along by the feed companies, and the rest of the ranchers are holding on because they can do nothing else, conditions being as they are, all in the hope that price conditions will change or that markets will be found, or may be that freight rates will be so adjusted as to allow them to purchase grain much more cheaply than is possible at present. Many thousands of birds have been sacrificed since the beginning of the year, and if this continues the railway companies will have no grain freight at all to carry. If the poultrymen and dairymen of British Columbia are to continue in business, the cost of production must be lowered; and the first essential step in that direction is the lowering of the unjust discriminatory freight rate on grain and grain produce. It is within the power of this government to grant relief. British Columbia has been bled almost white and cannot much longer continue.

We have listened to speeches in the house about the great crops of barley that are in store on the prairies. Farmers, it is said, cannot even give it away. I say to those farmers, "A good market awaits you in British Columbia but we cannot afford to purchase your barley. We can procure corn more cheaply from the Argentine, and so you have to keep your barley. The barley you have for sale is shut out of our province on account of the excessive railway rates." I repeat, the farmers in the prairies cannot sell their grain. We in British Columbia cannot afford to purchase that grain and even exist. British Columbia is the logical outlet and the logical market for that grain for stock feeding, dairy and poultry purposes, on account of the fine climatic conditions and with the ports of the Pacific Ocean open to the world every day in the year.

Large sums of money are being spent abroad in an endeavour to find markets for our wheat, while the markets in our own country are stifled. This, in large measure, is due to the excessive and unjust freight rates. I wish we had a little more of the motto of the Minister of Trade and Commerce, "Canada first," with regard to our grain products. It would certainly mean that the poultry industry of British Columbia might, at least, be given some consideration, which in turn would mean that more grain would be sold by the farmers of the prairies to us in British Columbia. This would all result in greater volume of business being done by the railway companies. As it is now, the volume of railway freight will be reduced. The farmers in the prairies are seeking markets, but at present the discriminatory rate on grain and grain products westward acts as a distinct barrier between the farmer on the prairies and the greater market for his grain in British Columbia. If the rates on grain to Vancouver for domestic use were the same as those to the man in Japan and China it would mean a saving of $4.20 per ton. To the average individual poultry farmer in British Columbia it would mean an actual saving of 21 cents per year on every chicken he possessed, which on the average flock would mean an actual saving of over $100 per year. Eggs have now reached a point in Canada like unto wheat, where we must find a market abroad for our surplus production. We are now producing volumes of eggs that we in this country, with our population of ten millions, cannot consume; and so we are compelled to compete in the markets of the world with our surplus product. How can we do it and, as I say, carry on, with eggs at 11 cents a dozen? And this may yet be even less. How are we to carry on and purchase our grains from the prairies with the present discriminatory freight rates against us?

Let me give you, Mr. Speaker, a striking picture of our predicament, one that I believe will show at a glance the rotten state of affairs. Say that a train leaves Edmonton or Calgary for Vancouver with wheat, comprising a shipment all from one company with, we will say, 60 cars. We will assume that the first part of the train is for the people of Japan and China, the back part of the train destined for the people of British Columbia. What do we find? Although the cars are all linked together and drawn by the same engine, handled by the same crew, over the same track, at the same time, the cars in the front part of the train, which may be booked for export to Japan or China, are carried at less than half the cost of the cars at the back destined for the ranchers of British Columbia.

Representatives from Japan, I believe, are at present purchasing great numbers of pure-bred poultry, as Japan intends to embark in the production of eggs and poultry on a large scale. They will very shortly become strong competitors of ours in the world markets with their eggs. I would just point out, Mr. Speaker, that the railways of this country, with their discriminatory domestic freight rate, are certainly giving them all possible encouragement to enter the egg markets with us and so add to our present misery primarily on account of the fact that the people of Japan or China, can purchase their requirements of Canadian grain, from

Canada and have it hauled over our Canadian lines cheaper right past our very doors, and at prices less than one-half of the freight toll we in British Columbia have to pay.

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

Wednesday, May 20, 1931

The house met at three o'clock.

ORLEANS ISLAND—BEAUPRE BRIDGE

The Clerk of the house laid upon the table the fifteenth report of the clerk of petitions, stating that he had examined the following petition presented on the 19th instant, and finds that the time for receiving petitions for private bills under standing order 92 having expired, it should not be received:

Of the government of the province of Quebec; praying for the passing of an act to authorize it to construct a bridge across the St. Lawrence river between the island of Orleans and the coast of Beaupré, in the province of Quebec.—Mr. Dorion.

M. C. N. DORION (Québec-Montmorency) propose:

Mr. C.-N. Dorion (Quebec-Montmorency) (Translation): That the petition of the government of the province of Quebec praying for the passing of an act to authorize it to construct a bridge across the St. Lawrence river between the Island of Orleans and the shore of Beaupré as well as the report of the clerk of petitions be referred to the select committee on standing orders and that standing order No. 92 in relation thereto, be suspended.

Motion agreed to.

RAILWAY COMMITTEE

Third report of the select standing committee on railways, canals and telegraph lines.—Mr. Harris.

PRIVATE BILLS

ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

Mr. T. E. SIMPSON (West Algoma) moved the first reading of Bill No. 48 (from the Senate), respecting the Algoma Central and Hudson Bay Railway Company.

Some hon. MEMBERS: Explain.

Mr. SIMPSON (Algoma): The purpose of this bill is to confirm an arrangement between the Algoma Central and Hudson Bay Railway Company, the Algoma Central Terminals, Limited, the holders of the first mortgage bonds of both of these companies, and the Lake Superior Corporation which guaranteed payment of the bonds. A previous arrangement between the same parties was confirmed by the Dominion parliament in 1916, and the present scheme requires similar approval in order to make it operative.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

*BEAUHARNOIS POWER CORPORATION

Mr. GARDINER:

1. Has the right hon. the Prime Minister, received the departmental report of the investigation regarding Beauharnois which he mentioned at the special session as having been undertaken by him?

2. If such a report has been received, will he table it?

3. Have plans for remedial works of the Beauharnois development been filed and approved by the government?

4. Are the plans under which the Beauharnois development is now being proceeded with the same plans which were approved by order in council, P.C. 422, dated May 8, 1929?

5. If the present plans are not the same as above approved, have they been approved, and if so, how and when?

6. If any change has been made in these plans, what are the changes and why were such changes made?

7. Has the program of construction provided for in condition No. 12 of the order in council No. P.C. 422 of March 8, 1929, been submitted and approved by the minister?

8. If so submitted and approved, will the government table a copy?

9. If not submitted and approved, when will the government require its submission?

10. Have the engineer or engineers referred to in condition No. 14 of the said order in council been appointed by the government, if so, when and what are their names, what are their duties in respect to: (a) the canal; (b) works to be constructed in the St. Lawrence river?

11. Why were fixed spans permitted as set out in condition No. 10 of said order in council if the canal is to be used for navigation purposes?

12. (a) Has the province of Quebec executed and the Dominion government accepted the agreement referred to in condition No. 24; (b) if this agreement has been executed and accepted, will the government table a copy?

13. (a) Have the plan and detailed construction provided for in condition No. 11 of said order in council been submitted and approved of by the minister; (b) if so approved, will the government table a copy?

14. Will the government procure from the Beauharnois Power Corporation Limited (a Dominion company) and table the list of shareholders of said corporation?

Mr. BENNETT: Perhaps in view of the reference that is to be made in regard to this matter, these two questions may be dropped, for the papers such as are available and producible will be available before the select committee.

Mr. SPEAKER: In the absence of the hon. member in whose name the questions are put, perhaps we had better allow them to stand.

Mr. BENNETT: Yes. I did not notice the hon. member was absent.

Questions stand.

CERTIFICATES OF NATURALIZATION

Mr. RINFRET:

1. Has the government appointed a commissioner to hear appeals from revocations of certificates of naturalization by the Department of the Secretary of State?
2. If so, what is the name of the appointee and his qualifications?
3. What emoluments will be paid to the new commissioner?
4. How many cases are pending?
5. Has he heard any yet, and if so, how many?

Mr. CAHAN:

1. A commissioner to hear appeals from revocations of certificates of naturalization has not been appointed; the revocation of naturalization certificates is made by the governor in council. A commissioner has been appointed to investigate revocations of naturalization certificates which have been referred to him by the Secretary of State and, on his report, the Secretary of State will take action.

2. James Gamble Wallace, judge of the county court of the county of Oxford, province of Ontario.

3. The commissioner will be paid his actual living, transportation and secretarial expenses while acting as commissioner.

4. 224.

5. One hundred and sixty-seven cases have already been heard.

HON. E. N. RHODES

Mr. POULIOT:

1. How long did Hon. E. N. Rhodes act as Speaker of the House of Commons?
2. What was the total sum of money received by him during his term of office: (a) as member of the House of Commons; (b) Speaker; (c) all other contingent expenses, allowances, servants' salaries, cost and maintenance of automobiles, chauffeur's salary, telephone and telegraph charges, printing, etc.?
3. Did the Hon. Mr. Rhodes rent a house from the Department of Public Works, and if so, what rent did he pay?
4. What amount was spent by the Department of Public Works for the repairs of said residence?

Mr. CAHAN:

1. The Hon. E. N. Rhodes acted as Speaker of the House of Commons for 5 years, 1 month and 18 days—noon, January 18, 1917—noon, March 8, 1922.

2.

(a) Indemnity	$20,500 00
(b) Speaker's salary	23,938 16
(c) Contingent expenses	2,147 22
Allowance in lieu of residence	15,710 48
Servants' salaries	6,884 00
Cost of maintenance of auto (taxis)	1,988 50
Chauffeur's salary	nil
Telephone and telegraph charges	199 91
Printing, etc.	nil
Total	$71,368 27

3. (a) Yes; (b) $1,000 per annum and water rates from June 1, 1919, to June 1, 1923, and $2,000 per annum and water rates from June 1, 1923, to June 1, 1925.

4. $7,489.49.

SUBCOMMITTEES OF THE PRIVY COUNCIL

Mr. SPENCER:

1. Who are the members of the committee of the Privy Council on scientific and industrial research?
2. Who are the members of the cabinet who are members of the treasury board?

Mr. CAHAN:

1. Subcommittee of the Privy Council on scientific and industrial research: the Minister of Trade and Commerce, chairman; the Minister of the Interior and Mines; the Minister of Agriculture; the Minister of Labour; the Minister of Pensions and National Health; the Minister of National Defence; and the Minister of Finance.

2. Members of the treasury board: The Right Honourable the Minister of Finance and Receiver General; the Honourable Hugh Guthrie, Minister of Justice; the Honourable H. H. Stevens, Minister of Trade and Commerce; the Honourable R. J. Manion, Minister of Railways and Canals; the Honourable E. B. Ryckman, Minister of National Revenue; the Honourable Alfred Duranleau, Minister of Marine.

COST OF TRANSFERS IN PERMANENT FORCES

Mr. ROSS:

How much has been paid for the transfer of officers and other ranks in: (a) permanent military force in Canada; (b) permanent naval force in Canada; (c) permanent air force in Canada, for the fiscal years 1929-1930 and 1930-1931?

Mr. SUTHERLAND:

(a) Permanent military force in Canada, 1929-1930: $46,090.98; 1930-1931: $41,310.47; (b) Permanent naval force in Canada, 1929-1930: $6,253.73; 1930-1931: $14,049.38; (c) Permanent air force in Canada, 1929-1930: $16,869.83; 1930-1931: $20,870.26.

UNEMPLOYMENT RELIEF

Mr. RAYMOND:

1. What are the names of the various municipalities and towns in the county of Beauharnois, which applied for grants under the Unemployment Relief Act?
2. What grant was received by each municipality or town?
3. What was the federal contribution in each case?
4. What was the provincial contribution in each case?
5. What was the municipal contribution in each case?
6. What amounts have been expended and paid by the federal government to each municipality in each case?
7. What amounts were granted to these various municipalities out of the special fund and for charitable purposes by virtue of the Unemployment Relief Act?

Mr. GORDON:

Answers of the Department of Labour
(As at May 14, 1931)

1.

Municipalities	Amount	Dominion Contribution	Provincial Contribution	Municipal Contribution
Beauharnois Ville	$12,000	$ 3,000	$ 3,000	$ 6,000
St. Louis de Gonzague	2,000	500	500	1,000
St. Thimothee Village	1,200	300	300	600
Salaberry de Valleyfield City	60,000	15,000	15,000	30,000

2. See reply to No. 1.
3. See reply to No. 1.
4. See reply to No. 1.
5. See reply to No. 1.
6. No payments made by the Dominion to the above municipalities in respect of public works.
7. No grants are made for direct relief. On accounts submitted by Valleyfield for direct relief the Dominion has paid $169.97.

MEGUASHA, QUE.,-DALHOUSIE, N.B., INTERPROVINCIAL FERRY

Mr. MARCIL:

1. Has a contract been awarded for the interprovincial ferry between Meguasha, Quebec, and Dalhousie, New Brunswick, if so, to whom and what is the amount of the subsidy?
2. Did Adelme Bernard, the contractor of the service, offer to renew his contract, and at what price?
3. By whom was Bernard recommended to the department?
4. If a contract has been awarded to another party, who recommended him, who is he, what is the subsidy and for how long is the contract?

Mr. STEVENS:

1. No.
2. Yes, $3,000 per annum.
3. The Hon. Charles Marcil, M.P., recommended Mr. Bernard for this service in 1930. No recommendation was received in regard to Mr. Bernard's tender for 1931.
4. Answered by No. 1.

TAXABLE AND TAX-FREE LOANS

Mr. RAYMOND:

1. What are the various loans made by Canada and not subject to income taxation?
2. What are the various loans made by Canada and which are subject to income taxation?

Mr. BENNETT:

1. (Tax-free in Canada)—

Loan	Date of maturity	Amount
5 per cent War loan 1916-31	Oct. 1, 1931	$ 52,929,600
5½ per cent Victory loan 1918	Nov. 1, 1933	446,659,950
5 per cent Bond loan 1915-35	Aug. 1, 1935	874,000
5 per cent War loan 1917-37	Mar. 1, 1937	90,166,900
5½ per cent Victory loan 1917	Dec. 1, 1937	236,299,800
		$826,930,250

2. (Taxable in Canada)—

Loan	Date of maturity	Amount
5½ per cent Renewal loan 1922	Nov. 1, 1932	$ 73,323,150 00
4 per cent Two year treasury notes	Dec. 1, 1932	40,000,000 00
3½ per cent Loan of 1884	June 1, 1934	23,467,206 27
5½ per cent Victory loan 1919	Nov. 1, 1934	511,910,650 00
4½ per cent Loan of 1926-36	Feb. 1, 1936	40,000,000 00
3 per cent Loans of 1888, 1892 and 1894	July 1, 1938	37,271,230 16
3½ per cent C.P.R. loan	July 1, 1938	15,056,006 66
4½ per cent Refunding loan 1925	Sept. 1, 1940	75,000,000 00
5 per cent Refunding loan 1923	Oct. 15, 1943	147,000,100 00
4½ per cent Refunding loan 1924	Oct. 15, 1944	50,000,000 00
4½ per cent Refunding loan 1926	Feb. 1, 1946	45,000,000 00
2½ per cent Loan of 1897	Oct. 1, 1947	4,888,185 64
3½ per cent Loan of 1930-50	July 1, 1950	137,058,841 00
5 per cent Loan of 1942-52	May 1, 1952	100,000,000 00
4 per cent Loan of 1940-60	Oct. 1, 1960	93,926,666 66
4 per cent Loan of 1930-60	Oct. 1, 1960	100,000,000 00
		$1,493,902,036 39

LA MALBAIE, QUE., DEMONSTRATION STATION

On the question:

Mr. CASGRAIN:

1. Is the government aware that the experimental station conducted by the federal Department of Agriculture, located at La Malbaie, district of Riviere Mailloux, under the supervision of Mr. Rene Villeneuve, has been moved to another location?
2. If so, why was this change made?
3. Had complaints been made against Mr. Rene Villeneuve regarding the way this station was being conducted, and if so, what was the nature of said complaints, and by whom were they made?
4. Who replaced Mr. Villeneuve as superintendent of said experimental station?
5. By whom was he recommended?
6. What is the salary of the superintendent of the said experimental station?

Mr. CASGRAIN: With reference to this question, it would appear to have been answered on Monday last. The answer was that there was no experimental station in that district. My question was put in French and it asked for information regarding a demonstration farm which is different from an experimental farm. I find that in the English version of the orders of the day the wording is "experimental station." This must be an error on the part of the person who makes out the orders of the day. I would ask that in the English version the word "experimental" be struck out and the word "demonstration" be inserted, and I shall expect to receive an answer from the minister at an early date.

Question stands.

BRANDON EXPERIMENTAL FARM—TEAMSTERS' WAGES

Mr. WOODSWORTH:

1. What wages are being paid to teamsters employed on the experimental farm at Brandon?
2. Has there been any recent reduction in wages?
3. If so, how much?
4. Do these wages conform to the fair wage schedule?

Mr. WEIR (Melfort):

1. Twenty-five cents per hour, for the hours worked.
2. Yes.
3. Five cents per hour.
4. The above wages conform as nearly as possible to the average rate of pay for farm labourers in the Brandon district.

GOVERNMENT PRINTING BUREAU

Mr. DORION:

1. Is the government printing bureau considered an open shop?
2. Is the government aware that only printers who are members of the International Typographical Union may be employed at the government printing bureau?
3. Is the government aware that only printers who are members of the International Typographical Union are called upon to work overtime?
4. Is the government aware that Mr. P. M. Draper, director of the Government Printing Bureau, is president of the Ottawa branch of the International Typographical Union?
5. Is the government aware that the International Typographical Union has caused considerable annoyance to several printing companies throughout Canada, during the past year?

6. Does the present situation at the government printing bureau, as regards the International Union, exist with the consent of the King's Printer?

7. Does the government intend to allow the present conditions to continue?

Mr. CAHAN:

1. All civil servants and printing trades employees are appointed by the Civil Service Commission and the question of open or closed shop does not, so far as the government is aware, arise.

2. No.

3. No.

4. No.

5. No.

6. The King's Printer reports that no representations have reached him respecting "the present situation at the government printing bureau, as regards the International union."

7. The government is not aware of any labour conditions at present existing in the printing bureau which require investigation or radical change.

FRUIT AND VEGETABLE INSPECTORS

Mr. LAFLECHE:

1. What are the names of the fruit inspectors for Canada?

2. What is the date of their appointment and the salary received by each of them?

3. Are they permanent?

4. Are special studies required for this work?

5. Is it the intention of the department to increase the number of these inspectors?

Mr. WEIR (Melfort):

1, 2 and 3. See attached list.

4. Qualifications required for the position of fruit and vegetable inspector include education equivalent to high school graduation; at least five years of experience in the growing, picking, packing, and marketing of fruits and vegetables; thorough knowledge of the Root Vegetables Act, and of the Fruit Act.

5. Not for administrative purposes, but where necessary to provide the service for requested inspections which are made on the basis of approximate cost.

FRUIT AND VEGETABLE INSPECTORS

PERMANENT

Name	Address	Date First Appointment	Salary per year
Alcorn, A. S.	Berwick, N.S.	Nov. 22, 1911	$ 2,220
Andrews, R. P.	Edmonton, Alta.	Mar. 15, 1923	1,920
Bain, T. H.	Vancouver, B.C.	Sept. 1, 1917	2,220
Brooks, Chris.	Winnipeg, Man.	Sept. 10, 1915	2,220
Clarke, R. G. L.	Vancouver, B.C.	Sept. 10, 1912	2,520
Coell, W. J.	Vancouver, B.C.	Aug. 2, 1926	1,920
Craig, C. M.	Toronto, Ont.	Sept. 22, 1924	2,220
Fellows, H. S.	Halifax, N.S.	Oct. 2, 1922	2,100
Fletcher, A. McL.	Nelson, B.C.	Sept. 1, 1912	2,220
Gabel, F. L.	Toronto, Ont.	July 18, 1912	2,520
Halpenny, R. E.	Regina, Sask.	Aug. 13, 1925	1,860
Henderson, A. E.	Kelowna, B.C.	Aug. 21, 1924	1,920
Henderson, J. D.	Calgary, Alta.	July 4, 1921	2,220
Jackson, C.	Montreal, Que.	April 23, 1928	1,920
LeCain, G. A.	Round Hill, N.S.	Sept. 9, 1919	2,100
Marshall, H.	Quebec, P.Q.	Aug. 14, 1928	1,680
McNiven, J.	Toronto, Ont.	Sept. 12, 1928	1,680
Paige, E.	Montreal, Que.	July 2, 1929	1,620
Potts, W. S.	St. John, N.B.	July 23, 1917	2,220
Reid, D.	Montreal, Que.	May 26, 1930	1,620
Robinson, R. E.	Montreal, Que.	Dec. 9, 1919	2,520
Sangster, W. J.	Falmouth, N.S.	Sept. 9, 1919	2,100
Scott, H.	Leamington, Ont.	Oct. 20, 1924	2,220
Shaw, C. E.	Charlottetown, N.B.	Oct. 20, 1926	2,040
Smith, C. D.	Perth, N.B.	Nov. 8, 1922	2,160
Snow, C. H.	Ottawa, Ont.	Sept. 9, 1912	2,220
Steele, F. H.	Winnipeg, Man.	Aug. 1, 1912	2,520
Stevens, Geo.	Winnipeg, Man.	Sept. 17, 1929	1,620
Thomson, H. L.	Ottawa, Ont.	Nov. 29, 1923	2,100
Waddle, R. R.	St. Thomas, Ont.	July 15, 1912	2,220
Whyte, B. M.	Vernon, B.C.	Aug. 1, 1919	2,220

FRUIT AND VEGETABLE INSPECTORS—Concluded

SEASONAL

Name	Address	Date first appointment	Salary per year
			Per month
Carpenter, J. F.	Fruitland, Ont.	Sept. 13, 1915	$ 185
DeJong, J. G.	Saskatoon, Sask.	June 14, 1927	145
Fox, W. P.	Lower Gagetown, N.B.	Aug. 1, 1917	175
Furminger, W. J.	St. Catharines, Ont.	Aug. 10, 1925	145
Jarvis, J. E.	Burlington, Ont.	July 17, 1924	175
McGregor, J. A.	Charlottetown, N.B.	Oct. 4, 1926	140
Marshall, S. B.	Middleton, N.S.	Sept. 16, 1920	175
Totten, H. D.	Forest, Ont.	Oct. 23, 1924	145

TEMPORARY

Billinghurst, H.	Toronto, Ont.	Aug. 1, 1928	135
Chretien, J. P.	Montreal, Que.	April 11, 1931	135
Cossman, P.	Montreal, Que.	Sept. 27, 1930	135

NOTE.—Men employed on a per diem basis, for incidental services, are not included in above list.

FLEURANT POINT, QUE., WHARF

Mr. MARCIL:

1. Has the Department of Public Works paid Mr. David Wafer, of Fleurant Point, Quebec, for land taken from him for the building of the wharf at that place, and the access thereto?
2. If so, what was the amount paid, and to whom was the cheque sent?
3. On what date was the cheque issued, and has it been returned to the department as having been paid?

Mr. STEWART (Leeds):

1. Yes.
2. (a) $200; (b) Yves Gosselin, agent of the Minister of Justice for delivery to Mr. Wafer upon completion of title.
3. (a) February 5, 1931; (b) Yes, paid cheque is now on file in Department of Finance.

PORT HOOD ISLAND WHARF

Mr. RALSTON:

1. Has there been a request from the fishermen's federation of that district for a public wharf at Port Hood island?
2. Have the department's engineers made a report on this, and, if so, is their report favourable to the project?

Mr. STEWART (Leeds):

1. Yes.
2. (a) Yes; (b) yes.

MR. MALCOLM HUSKINS

Mr. RALSTON:

1. What position did Malcolm Huskins hold on the patrol boat Ellsworth in connection with the customs service in Nova Scotia?
2. Have the services of this official been dispensed with, and, if so, as of what date?
3. What notice, or pay in lieu of notice, was given to this official?
4. What was the reason for his dismissal?
5. Did anyone from outside the department make representations to the minister or any of his officials for the dismissal of this official, if so, by whom were such recommendations made and what were the grounds of such representations?

Mr. CAHAN:

1. Mate.
2. Yes. 8th May, 1931.
3. No notice, or pay in lieu of notice.
4. That he was not a capable and efficient man for the position.
5. No.

QUESTION PASSED AS ORDER FOR RETURN

UNEMPLOYMENT RELIEF

Mr. MACKENZIE (Vancouver Centre):

1. How much of the $20,000,000 voted during the special session to relieve unemployment has now been expended?
2. How much remains unexpended?
3. How much was spent by the various provinces directly?
4. How much was spent by the organized municipalities in the various provinces taken collectively?

BUSINESS OF THE HOUSE

REQUEST THAT RETURNS TABLED BE PREPARED IN DUPLICATE

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, with your permission, I would like to call the attention of the Prime

Minister to a request which I made yesterday regarding the production of returns to parliament. I have in my hand a return comprising fifty-two pages, which I must hand back to the clerk of the house. My request yesterday was that arrangements might be made in the departments by which a duplicate could be made of these returns at the time the original is being made, and the duplicate could be given to the member of the house who had moved for the return. It would save lots of trouble, would entail no additional labour, and would be a great convenience to members of the house. The same thing is done with questions now.

Right Hon. R. B. BENNETT (Prime Minister): So far as my inquiries go, I am satisfied that this has never been done before, and it does involve an amount of extra labour. Whether a new departure is to be made now depends entirely upon the view of those who have to be responsible for the doing of it, I suppose. I shall look further into the matter and advise the hon. gentleman, but why this sudden departure should be made now—

Mr. POWER: Because it is better business, and we know that this government wants that.

Mr. BENNETT: These returns come from many different departments, and if an extra copy is to be made it would have to be filed either with the clerk or with the keeper of these records, because equal facilities should be offered to all who desire to see the returns. I have frequently desired to see a return myself which was in the hands of someone else at the moment. If two copies of the return are to be made, then, of course, they should be available to all members of the house who wish to see them, rather than the extra copy being given to the member immediately concerned. If it is desirable to make an extra copy and the rules are altered to that effect, I suppose it can be done, but not for the purpose of giving the mover for the return the extra copy, because all members are interested in the return, and it would have to be made available to all. It well may be that one copy is not sufficient. We will look into the question and see whether we cannot make two, so that there will be two copies available for the use of the house.

Mr. MARCIL: As I said, the practice of making a duplicate has been followed in regard to questions on the order paper. The answers are given in duplicate, and one copy is given to the member who put the question. I think the same practice might be followed with returns.

[Mr. Marcil.]

Mr. BENNETT: Some of these returns are not made for weeks after the house rises. Last year I recall one very long return comprising several hundred pages. We were working steadily on it, but it was not filed in the proper office until after the house had risen.

UNOPPOSED MOTIONS FOR PAPERS

TRENT CANAL—ACCOUNTS

Sir EUGENE FISET (for Mr. Bouchard):

For a copy of all telephone and telegraph accounts, by months, in the Trent canal office at the city of Peterborough, during the years 1930 and 1931.

TRENT CANAL—WATER LEVELS

Sir EUGENE FISET (for Mr. Bouchard):

For a copy of all letters and other communications and documents, passing between the Department of Railways and Canals and all lumber companies and lumbermen in the county of Peterborough, during the years 1928 to 1931, inclusive, in respect to the water levels in the Trent canal system, and all correspondence between officials of the Department of Railways and Canals and the said companies and officers of the said companies.

ROBERT WHITESIDE CORRESPONDENCE

Hon. W. R. MOTHERWELL (Melville) moved:

For a copy of all correspondence and other communications addressed to the Prime Minister of Canada from Robert Whiteside, Saskatchewan, or any of the officers of the Union of Saskatchewan Rural Municipalities concerning the alleged surplus remaining at the conclusion of the operations of the board of grain supervisors for the years 1917 and 1918, and subsequently deposited in the consolidated revenue fund of Canada.

Mr. BENNETT: I think the letters have been used during the debate that took place with respect to this matter. I have looked through the correspondence, and so far as I could find, there were only two letters written. Mr. Whiteside wrote a letter to me and I sent a reply based on the information that I had received. I believe that both letters have been read during the progress of the debate that took place.

Mr. VALLANCE: If the right hon. gentleman will pardon me, the letters that were read were those passing between Mr. Whiteside and Sir George Foster.

Mr. BENNETT: The information that I gave is the information that I received from the department.

Motion agreed to.

RESTIGOUCHE RIVER BRIDGE

On the orders of the day:

Hon. H. A. STEWART (Minister of Public Works): On Thursday last the hon. member for Bonaventure (Mr. Marcil) asked for certain information in connection with the proposed construction of an interprovincial bridge between New Brunswick and Quebec at or near Crosspoint and Campbellton. I find that on February 27, 1928, the Department of Public Works of the province of New Brunswick forwarded a certified copy of an order in council of that province undertaking to contribute one-third of the cost of this bridge on condition that the province of Quebec make a similar contribution and the Dominion of Canada a like contribution. No communication has been received from the province of Quebec to the effect that it approves of the proposed undertaking, and no further action has been taken by the Public Works Department. The estimated cost of the bridge is $1,300,000; that is not for a railway bridge, but purely a traffic bridge.

PRIVILEGE—MR. MACKENZIE KING

APPEARANCE ON ORDER PAPER OF UNNECESSARY IRRELEVANT AND OBJECTIONABLE QUESTIONS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): On a matter of privilege, may I direct Your Honour's attention to a question which appears in yesterday's votes and proceedings under Notices of Motions and Questions, as follows:

Mr. Laflèche—On Thursday next—inquiry of ministry—

1. On what date was Mr. Edward Tobin appointed senator?
2. Did he possess the required financial qualification at the time of his nomination?
3. Is it the intention of the government to make an inquiry in this matter?
4. What division does he represent?
5. Does he possess the necessary education?

Some hon. MEMBERS: Shame.

Mr. MACKENZIE KING: May I say, Mr. Speaker, that the Hon. Mr. Tobin at the time of his appointment to the Senate had been a member of this House of Commons for something like thirty years, during which time he not only earned but enjoyed the respect of hon. members on all sides of the house. I know that at the time of his appointment to the Senate there were expressions from the other side of the house quite as appreciative towards him as many of those that came from his own side. I submit that a question such as the one I have read should not be permitted to appear in the votes and proceedings or to appear upon any order paper of this house. In the first place, it constitutes a reflection upon a member of parliament, a most offensive and uncalled-for reflection. In the second place, as Your Honour knows, each house is the custodian of its own rights and privileges and dignities, and if questions are to be asked with respect to any hon. member of the Senate, it is in the Senate chamber and by members of that body that the question should be asked. I feel quite sure that Your Honour's attention could never have been directed to this question, for I am certain that had such been the case you would not have permitted the question to appear.

While on this subject, may I say that looking over many of the questions, it would almost seem that a not inconsiderable number owe their origin to some personal vendetta rather than to a desire to secure information in the public interest. I suppose there is no way to control the questions that may be asked, and certainly I for one would not wish to see the rights of any hon. member of this house restricted or circumscribed in the matter of securing ample information on any question; but, after all, the House of Commons is a body of representative gentlemen, I hope, and there must be something in the nature of amenities between the different sides of the house which it would be well to observe with respect to matters of this kind. If I may make a respectful suggestion, it would be that Your Honour, as the presiding officer of the house, take occasion to have the Clerk of the House confer with Your Honour in regard to questions that seem on the face of them to be of a questionable character, and at least have them withheld until there has been opportunity for some consultation with respect to them. I hope Your Honour will rule immediately that this particular question should not appear upon any order paper of this house, first on the score that it concerns an hon. member of the Senate and secondly because it is of a most offensive character.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I agree entirely with the remarks of the leader of the opposition. What he has said applies perhaps with equal force to both sides of the house. The present instance is not a case of the pot doing more than calling the kettle black. The other day my attention was directed to a question, but the question was on the order paper and any possible injury resulting from its appearance thereon had already ensued. If I so desired there are two questions at least to

which I might refer which would be better left off the order paper. The point is, however: Who is to determine how a question is to be kept off the order paper? The hon. member files his question and in the ordinary course of routine the clerk places it on the order paper. As I understand the procedure, the Speaker does not or need not see it until the following day, when he has the opportunity of seeing it in the votes and proceedings which it is his duty to sign.

The particular question in the votes and proceedings to which my right hon. friend opposite has just referred is one that need not be discussed at all, for the simple reason that this house has no jurisdiction in the matter. Had the question appeared on the order paper I would have answered it at once by directing the attention of Mr. Speaker to the fact that this was a matter affecting the Senate and with which the Senate alone could deal. However unless the Speaker had given permission I could not strike the question off the order paper once it had been placed thereon. I wholly agree with the right hon. gentleman that a question which affects another branch of parliament and which clearly is not a proper question to be asked in this house should not appear on the order paper. I think that point is fairly clear. As to the other aspect of the question, namely whether or not good taste and other considerations which should weigh dictated the asking of it, I am afraid that the clerk has no option, that he could not say that the question should not appear on the order paper.

Mr. POWER: The Prime Minister has, though.

Mr. BENNETT: The Prime Minister does not see the questions until after they are placed on the order paper.

Mr. LAPOINTE: He has enough to do.

Mr. POWER: He has a duty as leader of the house.

Mr. BENNETT: The Prime Minister has no duty with respect to the order paper until it is before the house; then he has. I think my hon. friend is not quite fair when he says there is a responsibility upon the Prime Minister before the questions appear on the order paper and the order paper is before him.

Mr. LAPOINTE: Quite right.

Mr. BENNETT: With respect to matters which do appear on the order paper he then has a responsibility, and a very great one.

[Mr. Bennett.]

Mr. POWER: I withdraw that remark, Mr. Speaker; I quite agree that the Prime Minister has nothing to do with it.

Mr. BENNETT: My right hon. friend would be the first to say, as I would have said when leader of the opposition, that after all, the order paper is the sheet anchor of the opposition. The Prime Minister has no more to do with making up the order paper than any other hon. member of the house. If he had it would be a very sad day for representative institutions. I put it that way because I felt my remark would be appreciated by my hon. friends opposite. I felt perfectly certain they would realize there are so many questions that offend against the judgment of the Prime Minister that the order paper would be bereft of many indications of the contentions that hon. members sometimes make. At any rate the obligation of the Prime Minister begins the minute the order paper is before the house at the opening of the sitting. He must see to it on behalf of the house, and not on behalf of any one party, that it does not offend against the traditions of the house, the amenities of debate or the decencies of life. I think my hon. friends will not say that in any instance have they seen any indication on my part that the order paper of this house should not be of the character I have indicated. I have not had long experience—only a few months, but at least I have a great regard for the traditions of parliament; sometimes my friends say I have entirely too much regard for them. At any rate I assure the house that as long as I am in power I shall endeavour not to be an unworthy successor of those who have preceded me concerning the regard the house should have through the Prime Minister for maintaining the traditions of the house as reflected in the order paper. I cannot, however, undertake any responsibility antecedent to questions appearing on the order paper; when they do appear I shall endeavour to discharge my duties to the best of my ability.

I wholly agree that the question to which attention has been directed should be stricken from the records of the house. I do not know how it is to be done, once it has been placed thereon, unless the Clerk of the House arbitrarily but properly takes the view that the question concerns another chamber over which this house has no jurisdiction and with respect to which its rights to criticize can arise only by proper parliamentary action and in the manner prescribed by constitutional procedure.

Mr. MACKENZIE KING: I wish to thank the Prime Minister for his remarks. It is a great satisfaction as well as a pleasure to know that we are in entire agreement on a matter of this kind. I agree that the responsibilities of the Prime Minister should not be added to, but might I mention to him with respect to this matter of questions that there is a procedure which I think the clerk legitimately might adopt, and a procedure which would be appreciated by all hon. members of the house. When a question comes before the clerk which obviously from its nature is certain to occasion comment because of its offensive personal character he might bring it to the attention of one or other of the leaders or of the Speaker so that His Honour might confer with the hon. member asking the question before it is placed in printed form on the records of the house. On one occasion quite recently the clerk directed my attention to a question asked by an hon. member on this side of the house with respect to an hon. member on the opposite side and asked me if I thought the question as asked would serve any useful purpose or if it was a desirable or proper question. I asked him to allow the question to stand a minute or two and I would communicate with the hon. member in whose name the question was to appear. As soon as I spoke to him the matter ended. The question had been placed under his name, having been handed in as many of the questions are. To my mind a practice of that nature would avert many unnecessary offensive and irrelevant questions.

Mr. SPEAKER: The question referred to does not appear in the votes and proceedings of the house as of yesterday as signed by the Speaker. It appears in a list of notices of motions and questions upon which action will be taken at a future date. As hon. members know, the course has been as a matter of routine, to hand the questions to the clerk of the house, and I have known of instances such as that described by the right hon. the leader of the opposition when the nature of a question has caught the attention of the clerk; suggestion having been made to the hon. member offering the question that it was not a proper one, it has thereby been prevented from appearing on the orders of the day. I shall see to it, whatever the procedure may be, that the question referred to, and which I quite agree with the Prime Minister and the leader of the opposition should never have appeared on the record, shall not appear on the orders of the day.

IMPERIAL ECONOMIC CONFERENCE

INQUIRY RESPECTING REPRESENTATION OF DOMINIONS AT OTTAWA MEETING

On the orders of the day.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, may I ask the Prime Minister a question which was yesterday asked in the British House of Commons and in reply to which the Secretary of State for Dominion affairs said the arrangements were in the hands of the Canadian government. Have all the dominions signified that they would attend the coming economic conference in Ottawa, and if so will they be represented by ministers?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I reply subject to my memory being defective because I had no notice of the question. The position, as I recollect at the moment, is that all the countries affected have tentatively agreed to the meeting being held in August this year, but since then events in Australia and New Zealand, as indicated by despatches received from the Prime Ministers of those overseas dominions, indicate the possibility of a general election in each country, and it may be that that will cause some little difficulty. The matter is now under negotiation in view of the information received during the last ten days from Australia and New Zealand.

As to the representation, that matter has not been determined so far as this government is advised by the governments affected, except that the two dominions in the southern seas indicated that each had hoped to have a very strong delegation, and were greatly disturbed by the present political situation. I think that is as fair an answer as I can give at the moment, but as soon as anything definite is settled having regard to the disturbed political situation to which I have referred, I will advise the house.

SUPPLY—GRAIN RATES

AMENDMENT TO MOTION OF MINISTER OF FINANCE

The house resumed from Tuesday, May 19, consideration of the motion of Mr. Bennett for committee of supply and the proposed amendment thereto of Mr. Reid.

Mr. THOMAS REID (New Westminster): Mr. Speaker, when the house adjourned last night I was speaking of the grievances of the farmers of British Columbia by reason of the fact that we in that province have to pay twice as much for the hauling of grain to Vancouver

as have people living in countries like Spain and Japan. I had come to that part of my address where I was pointing out that it certainly was unfair and unjust that we should be called upon to pay such high rates, and that this discrimination was acting as a barrier to the progress and welfare of the farmers of British Columbia. To-day our producers of eggs in that province are getting less than 10 cents a dozen, which is the lowest price that has been received in 40 years. The situation is becoming so serious that it is practically impossible for the poultry men and others in British Columbia to carry on. We have to bring in our grain from the prairies, and the high domestic rates are tending in large measure to force our farmers off their holdings. My grievance is that not only are these excessively high freight rates bringing about this very serious condition of affairs, but that no action has been taken on the petitions that have been filed on behalf of the provinces of British Columbia, Alberta and Saskatchewan against a decision of the Board of Railway Commissioners in the matter. This application has been before the board since September of last year, that is, eight months have passed without that appeal having been heard, and the delay is causing British Columbia heavy financial loss.

Mr. GARLAND (Bow River): Was not the appeal heard?

Mr. REID: Not since September of last year; that is my information. Two very important things are required to help stabilize the poultry and dairying industries of British Columbia; greater markets abroad and cheaper grain at home. Cheaper grain would result from reducing our domestic freight rates to substantially the same level as the export freight rates.

If the export freight rates on grain from the prairies to countries like China and Japan, which grain is carried through British Columbia, are fair and equitable, then the rates on domestic grain to British Columbia are certainly excessive. On the other hand, if the rates for export are too low, and the railways are losing money on the traffic, why should British Columbia be called upon to carry the whole burden? Why should the burden be placed on grain and food destined for domestic purposes in that province? The hon. Minister of Railways (Mr. Manion) not very long ago said, that due to present traffic and other conditions it was a bad time to discuss the lowering of freight rates. Well, I say to the hon. minister that if the freight rates are not adjusted so far as British Columbia is concerned, the volume of business is certainly going to be less than it is at present; and I believe it is good policy to encourage the volume of business to British Columbia by lowering these rates.

I am now going to move the following amendment, seconded by Mr. Donnelly:

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

Whereas on September 30, 1930, petitions in appeal from a decision of the Board of Railway Commissioners were filed by the representatives of the provinces of Alberta, Saskatchewan and British Columbia, praying for a hearing and decision on the claims therein set forth for a reduction of the domestic freight rates in effect within these provinces, and—

Mr. BENNETT: Did the hon. gentleman give the date of the decision of the board?

Mr. REID: No, I was giving the date of the appeal of the provinces to the privy council.

Mr. BENNETT: What is the date of the decision?

Mr. REID: August 27, 1926—I am giving the date from memory.

Mr. BENNETT: When was the appeal heard by the privy council?

Mr. REID: In 1929. Then a further appeal was made on September 30, 1930. It is the further appeal I am speaking of now.

Whereas the delay in rendering such decision has brought about a condition of confusion and instability which has seriously affected the poultry and dairying industries of British Columbia as well as certain important interests in the other provinces.

This house is of the opinion that an early date should forthwith be fixed for a hearing of the said petition.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, last evening I greatly sympathized with the hon. member for New Westminster (Mr. Reid); this afternoon my sympathy is not quite so great. Last evening he was speaking for himself and the people of British Columbia; to-day he is endeavouring to speak for a party. Yesterday his amendment was an amendment which he had himself prepared; to-day it is the amendment of the Liberal party—the opposition. If he was greatly interested in this matter, if he was as sincere as he would have us believe, he would not seek to destroy this government for the purpose of asserting his position. If his motion carries, this government resigns; that is his interest in this question. I wonder if he knows just what the facts are, I wonder if he realizes that the

judgment he is discussing is the judgment which was delivered by the Board of Railway Commissioners in 1926? In accordance with the promise made in this house by the then Prime Minister (Mr. Mackenzie King) the Board of Railway Commissioners, being seized of the facts under the reference, heard evidence and gave judgment. That judgment was delivered in 1926; that is the reason I asked the hon. member for New Westminster as to the date of the judgment. The judgment having been delivered, an appeal was taken to the former government, which he now supports and whose mouthpiece he is in connection with this amendment, in his desire to assist British Columbia poultry growers, which appeal was heard in 1929. This hon. gentleman now asserts that there has been a delay, when the former government which he supported and which is now in opposition heard the appeal in 1929, before the general election. Although they had weeks in which to give judgment, no judgment was given; the Privy Council, as then constituted, vanished after the election of July 28, 1930.

That is the position, Mr. Speaker. Now the hon. gentleman seeks to destroy this administration with an amendment on going into supply, as a vote of want of confidence, because he says that since September, 1930, this government has not had an opportunity to hear this appeal. Because in a time of great economic distress and of great difficulties for governments; because with the Prime Minister and several members of the administration away during the months of October, November and December, this government has not been able to hear that appeal—which could not be heard while parliament was in session—this hon. gentleman asks that this government be destroyed. Is that fairness? Is that his sense of justice? Is that his sense of what you might call elementary fair play? Doubtless there were good reasons which members of the late administration will advance as to why they were not able to hear that appeal from the time the judgment was delivered in 1926 until 1929. I think I can give reasonably sound reasons why this government has not been able to hear that appeal. I may say for the information of the hon. gentleman that twice we had, amongst ourselves, tentatively concluded that we might be able to hear the appeal on a given date, but the pressure of other matters made that impossible. With the burden of government which is being carried at this moment; with falling railway revenues; with conditions as they are, we are now told that because between September, 1930, and to-day, with the session of parliament beginning on March 12, and with the Imperial conference and all the problems with which this government has to deal before us, this appeal was not heard, the house is of the opinion that an early date should be forthwith fixed for the hearing of the petition. That would have been quite all right, but if the amendment passes this government goes out.

Mr. LAPOINTE: That would be a calamity.

Mr. BENNETT: There are many Canadians who would think so, and I may say there are many Canadians who formerly supported the government of the right hon. gentleman who would think so also. Their numbers are increasing every day, for when they hear members of a former administration going to and fro saying they are so grateful that they have not these responsibilities, and how glad they are that they have not to carry this load, the people of the country know perfectly well their inability to carry it. If the people had not known that hon. gentlemen opposite might have been in power still.

That is the position with respect to the matter. I said last evening I had some sympathy with the hon. gentleman. Thirty years ago the problem which he has discussed in this house was a problem to which I gave some little attention. I always found it difficult to understand, as a new settler in western Canada, why it cost more money to bring freight to Calgary than to Vancouver, from eastern Canada. I always found it difficult to understand just on what basis the rate structure of the country was fixed, but I took the trouble to investigate the matter. The classic case in this connection is the Spokane case, which ultimately went to the supreme court of the United States. It is a very interesting study in the whole question of freight rate structures and of terminal rates, as distinguished from intervening local rates on freight. The position is this, that by universal practice in railway rate structures you have first a cheaper through rate to terminals than you have to intervening points on a mileage basis, and although railway legislation of most countries provides that there should be no discrimination, nevertheless the application of the general rate per mile on the distance covered by the cars laden with the freight is held not to be applicable where you have water competition at a terminal point.

Mr. NEILL: And water competition only.

Mr. BENNETT: Permit me to amplify it in my own way. I am sure I am indebted

to my hon. friend, but I will have to proceed in my own way. Water competition is the factor that determines that terminal rate. So far have the courts gone in upholding that principle that it was held that freight rates to St. Louis were to some extent regulated in the United States by water carriage to points on the Pacific slope. Vancouver is a harbour, and is situated on the ocean. Therefore the water rate factor enters into the question of the Vancouver terminal rate, altogether apart from the factor of what you might call terminal rates. That is the determining factor in reality; the water rate and all that is involved in it really determines the terminal rate in this case.

That is the first point. The next point is this: There has grown up in the commercial world the application of the principle of export trade being carried on a free trade basis. I suppose hon. members who have followed the tariff with care will realize that from time to time items are introduced that permit of drawbacks with respect to commodities produced in the country for export. That is what is called the application of the free trade rule in export trade, so that all countries are on a parity with respect to export trade. Germany carried that principle to a very great length during the years immediately preceding the war. In England the same principle prevails with respect to tariff items affecting goods that were destined for export. In the United States of course it has been applied during all these years, as it is unnecessary for me to say to this house, and we have applied it in this country as well. So you have these two factors which determine the question of the rate charged by railways for the transportation of freights of various classifications between points in Canada to Vancouver. There are other factors which are of minor consideration, which I will not mention at the moment, because I would be only endeavouring to discuss in this house a matter which I think should be discussed before the tribunal created for that purpose.

Those principles were recognized in the judgments of the Board of Railway Commissioners, and may I point out to my hon. friend that in his zealous and enthusiastic support of his proposition perhaps he has overlooked the fact that this parliament is hardly the tribunal to deal with this matter. Yesterday he was asking parliament, or the government, having a majority in parliament, forthwith to direct the railways to carry freight at a price named, that is, without giving the rate but at what might be called the export rate or the through bill of lading rate for export. To-day he does not do that; he only asks that there shall be further consideration by the privy council. Now let us analyse what is the position. This parliament has created a court of record known as the Board of Railway Commissioners for Canada. This is not a voluntary tribunal nor an association; it is a court of record, provided by statute in the exercise of our powers over matters of that kind. That is a court which has been established in the same way as the Supreme Court of Canada is established, or the exchequer court. It is presided over by a chief commissioner, with associate judges or commissioners, just as the Supreme Court of Canada has a chief justice and associate judges. That court has complete control and authority over all questions relating to the operation of railways, including the charges to be made for the handling of traffic. The word "traffic" of course is defined as meaning both the carriage of passengers and of inanimate freight. That tribunal having been created, we have endeavoured to the best of our ability to ensure it from interference by parliament. Why? Because parliament is composed of partisans. Whether we like it or not, we are all partisans and it is extremely difficult for any of us—

An hon. MEMBER: Not very much.

Mr. BENNETT: Well, it is so pleasing to hear that there are non-partisans on the other side. They will not long remain so. May I point out, however, that it is because we are partisans that the very earnest endeavour has been made to ensure that we shall not sit as judges. The very problems to which my hon. friend has directed attention are problems for judicial determination; and the judicial determination of these problems depends first of all upon the evidence submitted, and, secondly, upon a due and proper appreciation of the relation of that evidence to the relief sought. You seek relief; the evidence is adduced, and the relation of that evidence to the relief sought must determine the judgment given by the board. The board, or the court—because it is a court—gives judgment. That judgment does not support the views which have been put forward by those who are interested—my hon. friend from New Westminster (Mr. Reid) for example. There is a right of appeal to the governor in council—that is to say, a right of appeal to the partisans. There are those who think that this right of appeal should not exist. The reason it exists is probably that it is a remnant of the old power which, before the court was created, rested entirely in the governor in council. The administration of railway matters, freight

tariffs and everything connected therewith, was all in the hands of the governor in council, the partisan tribunal. Now, the privy council is a court in this instance, and to that court an appeal was made. My hon. friend the ex-Minister of Justice sat, if my memory serves me, in that court when it heard the appeal. The appeal was heard by the late government. It was heard in its entirety, and that council reserved judgment.

Mr. LAPOINTE: May I say to my right hon. friend that I heard only part of the appeal. The first argument proceeded while I was away at the Dominions conference on legislation in London. I heard only a small part of it.

Mr. BENNETT: The ex-Minister of Justice reminds me that he did not sit through the whole argument, which lasted a considerable time—there were adjournments. One of the members of this house, before he became a member, was present at that argument, and counsel engaged were eminent members of our profession. What happened? Judgment was reserved. But in the meantime an election was held and the court vanished. That means a new hearing, because while the personnel of the court is gone, the appeal still exists. It means, I say, a complete new hearing, for it cannot be taken up where it was left off.

Mr. BEAUBIEN: The testimony is there.

Mr. BENNETT: I am speaking about the appeal, and I say that it means a reopening of the matter in its entirety before council.

I just put it again to this house, and I put it to my hon. friend: Does he not think that the amendment he has proposed has served its purpose and should be withdrawn? Does he think it is fair to any body of men—suppose he were one of them—

Mr. MACKENZIE (Vancouver). Will the Prime Minister give us the assurance that, so far as he is concerned, he will expedite the proposed hearing as much as possible after the close of the session.

Mr. BENNETT: I am coming to that; I think it is a highly proper question and, indeed, it was not necessary to ask it. On two occasions the government was of the opinion that it should fix a future date on which the matter could be heard; but considerations of moment came up that made it impossible to fix a date. It is the intention of the government, however, to hear that appeal just as early as it is possible to do so, consistently with the duties of the administration while parliament is in session. We cannot hear it while parliament is in session. It is true we heard an appeal the other day. Why? Because the Board of Railway Commissioners was appealed to on a question which affected the interests of a city with respect to level crossings in certain areas. That matter had been taken to the Supreme Court of Canada, who had decided that there was no question of law to be considered, whereupon appeal was made to the privy council. They asked that the matter might be remitted back to the board with a view to having that body hear the evidence on a point with respect to which they said they had not been afforded the opportunity which they would have liked. The privy council limited their right to that one particular. It was admitted by counsel that there was no question of law involved, but it was felt there was a question respecting the equitable administration of the act. An opportunity was therefore given to have the matter considered.

I may say to the house that this government will not—unless it is a case in which a palpable error has been made that requires only an insignificant exercise of power—undertake to deal with these highly technical matters. I do not regard the Privy Council, either as at present constituted or as it has been in the past, as fitted by training to determine these questions. There is a body of men appointed for that purpose, trained men who have their experts to assist them. And if it is clear or reasonable from the appeal—one cannot anticipate the judgment—that the matter should be reconsidered, that, of course, will be done. It requires no direction or order of the house to bring that about. But I should be unfair to the government and to the country if I were to go further than to say that the matter is one of very considerable importance to the Dominion. And it is of more than considerable importance to those directly affected. My hon. friend must always bear in mind, however, as I learned so long ago myself, that it is easy to put one side of a case without sometimes thinking of the other side. I am sure he will learn, as most of us have done, that before the tribunal equal opportunity is afforded all, and the testimony is sifted with a view to determining the action to be taken in the light of the facts which are elicited from witnesses under oath, as occasion may necessitate. Thereupon judgment is given, based upon a due and proper appreciation of the facts and their implica-

tions. And this will be done with respect to the matters to which the hon. gentleman has referred.

I assure this chamber—it is a commonplace—that no government desires that there should be occasioned, in the transportation of commodities, delays greater than the Canadian people should bear. On the other hand, no government desires that this service rendered by the transportation companies should be provided at a loss. Now, between these two principles there must be a medium, and that medium determines the freight rate, that is to say, a fair compensation for the service rendered. It is difficult sometimes to arrive at that rate. I wonder whether hon. members realize just what the effects of modern conditions have been upon the revenues of transportation companies, of buses, and of mechanical transportation of all kinds. When later on the house has to consider the relation of these facts to our own properties, it will have perhaps a clearer appreciation of all that is involved in the work of preparing, understanding, appreciating, sifting and analyzing testimony to determine properly the problem to which the attention of the house has been directed.

Mr. EULER: Merely with a view to expediting the matter, would it be possible for the present privy council to accept in a measure the evidence and arguments which were presented to the former privy council? I realize that further evidence might be desirable because of changing conditions, but would it not be possible for the present privy council to take advantage of the work that has already been done?

Mr. BENNETT: I have not any doubt that any privy council that hears this must take advantage of the work that has been done, but whether or not, in the light of present-day conditions, the matter could be then decided without further reference to testimony, and arguments or representations of council, I cannot antecedently determine.

Mr. EULER: I realize there are changed conditions.

Mr. BENNETT: Yes. It is now five years since the judgment of the board.

Mr. EULER: I am referring to the hearing before the privy council in 1929.

Mr. BENNETT: Clearly the answer to that is in the negative. The personnel having disappeared, the body continuing, the new personnel must hear the arguments unless they are submitted in writing.

[Mr. Bennett.]

Mr. MACKENZIE (Vancouver): A different court and probably different advocates.

Mr. BENNETT: Perhaps the hon. member for Vancouver Centre will recall the decision of the English courts that the death of a judge necessitates a trial de novo. There may be an agreement between the parties affected as to a method to pursue whereby part of the representations previously made might be considered.

Mr. EULER: It is all a matter of record.

Mr. ILSLEY: I just want to direct the attention of the Prime Minister to an opinion which was given by the former deputy minister of justice, Mr. Newcombe, to the effect that in these appeals the privy council exercises administrative rather than judicial functions. I happened to come across it at page 124 of Beauchesne, and I thought it was pertinent to the question of my hon. friend.

Mr. BENNETT: I am much obliged to the hon. member for Hants-Kings. I am well aware that the distinction between administrative and judicial with respect to appeals to the privy council from the Board of Railway Commissioners or other bodies, is not very clearly defined. There is a distinction, perhaps philosophic, but nevertheless the privy council are quasi-judicial if they are wholly administrative, and if they are administrative they are partly judicial. They could merely as a matter of administration decide to refer a matter back for rehearing; but if they undertake to adjudicate upon the merits of the application, their position would be judicial. That is the distinction between the judicial and the administrative function. If merely as a matter of administration they say: We will send this back for further hearing and evidence, that is clearly an administrative power. If on the other hand, they say: Call your witnesses; we will hear this case de novo, or hear further testimony in addition to the written record, as the council might if they so desired, then clearly, before they arrived at a judgment, their function would be judicial.

Mr. VENIOT: Would that be about the practice in an appeal of that kind?

Mr. BENNETT: It is competent under modern practice to receive additional evidence in the Court of Appeals. Even in the House of Lords itself testimony is sometimes given before the final hearing. One of the most noteworthy cases in that regard is

one that originated with respect to a Nova Scotia ship. That however, is not a matter of importance.

I have endeavoured to put the case before the house as fairly as possible. I am not in any sense passing upon the merits of the controversy; that is not my business at the moment. All I know about it would be merely what I read in the newspapers, without having any opportunity to familiarize myself with it, and if I were familiar with it, I am speaking only in the absence of the Minister of Railways (Mr. Manion) who is in Quebec to-day. If I did familiarize myself with it, I would then be endeavouring to pass judgment while one party to the proceedings had not been heard. By the terms of his motion my hon. friend is asking one party, the government, to vote that it is advisable that an early date should forthwith be fixed for a hearing, and knowing that we have a majority and have no intention of giving up office at present, he must realize we shall have to vote that it is not desirable so to do. Therefore this means that he does not want the appeal to be early heard.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I appreciate very much the central portion of the remarks of the Prime Minister (Mr. Bennett). He commenced his lecture on an unfortunate note in seeking to impute motives to my good friend the hon. member for New Westminster (Mr. Reid), who has brought this important question to the attention of parliament. On the contrary I submit that the hon. member for New Westminster has performed a public service to his own constituency, to his own province of British Columbia and to the Dominion of Canada by bringing this important question at this time to the attention of parliament. The Prime Minister in the course of his remarks said that parliament is not the tribunal to which this matter should be directed. I suggest to him that the Privy Council of Canada is the court of last resort so far as the people of Canada are concerned in all matters affecting freight rates, and the only opportunity we have to get the privy council to take action in these matters is to bring them to the notice of the privy council who sit opposite to us as ministers of the crown.

He said also that the late administration was somewhat dilatory in that it heard the appeal in 1929 and hand not rendered judgment up to the time it went to the country in July, 1930. I would suggest to him in that regard that we who are bringing this matter to the attention of the house are not in the slightest degree concerned with the alleged dilatoriness or slackness of the former administration. We are here; our duty, our purpose is to see that the present administration takes action immediately or as soon as possible in regard to a final hearing and determination in respect to this matter and all other matters arising out of the circumstances to which reference has been made. Since the hearing in 1929 before the then privy council, the late administration, economic conditions in the Fraser valley have undergone a tremendously marked change, and I want to remind the right hon. gentleman and the Minister of Trade and Commerce (Mr. Stevens), who knows the situation as well as I do, that to-day the removal of this differential between the export rate and the domestic rate is a matter of life and death to the poultry raisers in the Fraser valley, British Columbia. The situation is this, that you can export to-day to Kobe, Japan, or portions of China, our cheap grain, so that hens may be raised there and their eggs imported to undersell our eggs in the United Kingdom. The grain produced by the prairie provinces is permitted, by the present iniquitous structure of freight rates, to be sent to oriental countries, giving them an entry into a $50,000,000 market so far as the egg importation business into the United Kingdom is concerned. This is done under the aegis and commendation of an administration that was ushered into office last July after preaching about the benefits of the home market.

The Prime Minister seemed to be very much perturbed because my hon. friend, in carrying out his duty, moved an amendment which the Prime Minister appeared to think imperilled the life of this precious administration. He knows full well, sitting in the seats of the mighty across the floor, that no amendment moved from this side of the house can at the present time endanger the life of that administration which he leads so splendidly. But we desire to bring this matter to the attention of the house in the only manner at our disposal, and so far as I am concerned, having received the promise of the Prime Minister that this matter, which is a question of life and death to the poultry raisers of British Columbia, will be brought to the attention of the government for hearing and decision as early as possible after the session, I am satisfied to have my colleague withdraw the amendment that has so terribly perturbed my right hon. friend at this time.

The difference between the 20-cent rate and the 41½-cent rate cannot be defended.

We on this side of the house appreciate equally with my right hon. friend the Prime Minister the difficulties confronting our two great railway transportation systems at the present time. We know they are faced with falling revenues and a time of depression, a depression that is accentuated by the hopeless policies of the administration opposite. But while we appreciate the difficulties confronting our two great railway transportation systems, we are also acutely aware of the difficulties of the men who are struggling to live from one year's end to the other in the Fraser valley and other portions of British Columbia, and in other parts of the Dominion as well. There must be a middle course. Justice to the railways, yes; but justice to our people in British Columbia also.

In conclusion, while I appreciate the constructive portion of the address of the right hon. Prime Minister I deprecate very much his opening and closing remarks. I thank him for the promise of an early hearing of the freight rate situation, and I am sure that with this promise my hon. friend from New Westminster (Mr. Reid) will feel that he has achieved his purpose and will be prepared to withdraw his amendment.

Mr. A. W. NEILL (Comox-Alberni): While possessing neither the rugged persistence of the hon. member for New Westminster (Mr. Reid) nor the facile eloquence of the hon. member for Vancouver Centre (Mr. Mackenzie) I should like to say a few words on this motion, and I propose to adhere rigidly to the amendment because I wish to say something on the main motion after this is disposed of. Although he seldom agrees with me, I agree with the Prime Minister (Mr. Bennett) to some extent in his criticism of the amendment. My conception of an appropriate amendment would have been one somewhat similar to that he referred to, which would have been of a general character and would not have hesitated to allocate the blame for the delay equally between the past government and the present one.

On the other hand, the Prime Minister makes a great point of this being a motion of want of confidence. He is well aware that no matter in how mild terms the amendment had been framed, it would have been to all intents and purposes, under our rules, a motion of want of confidence.

Mr. BENNETT: Quite so; that is what I said.

Mr. NEILL: Then it mattered very little whether the hon. member made it a straight party question calling for a straight party vote, or one dealing with the issue at large. The Prime Minister is also aware that owing to his assured majority it is only a mere matter of detail whether or not this is a motion of want of confidence. He is also aware that there is practically no other way of bringing a matter of this kind before parliament. There is probably many a man here who regrets that equally with myself, not only with respect to this question but other questions.

Mr. BENNETT: There is ample opportunity for discussion in committee of supply—on the estimates of the railway board, for instance.

Mr. NEILL: It makes very little difference whether we discuss it on going into committee on the railway estimates or on the agriculture estimates.

Mr. BENNETT: I mean that there is ample opportunity when the house is in committee.

Mr. NEILL: That is so, of course, according to the precise rule, but we all know that if we want to get any serious attention to a matter we have to bring it up on a motion for going into supply, not on some particular item of the estimates when the discussion is strictly confined by the chairman, and properly so, to the item before the committee. A discussion in committee of supply has not the same effect and does not give you the same scope. To some extent I regret that this is a motion of want of confidence, but on the other hand I can recall that my hon. friends opposite made no complaint when I voted against the late government on a similar amendment a couple of years ago, and for the same reason, that I saw no other way of emphasizing the importance of the matter than by pushing it to a conclusion on a vote of want of confidence.

The question before us is an old one—I have under my hand a record of six occasions on which I have brought it up in the house—beginning with 1923 and the last occasion being ten days ago. I do not propose to inflict upon the house a rehash of my remarks on those occasions, but I should like to quote a greater authority perhaps than myself. Bulletin No. 80 published by McGill university, dealing with the hog export trade says:

> There is one modification in connection with the present discussion which we unhesitatingly endorse. And it is this: That freight rates on grain and feed for domestic consumption should be as favourable as those on grain and feed for export.
>
> A more favourable rate on export than on domestic grain amounts to a bonus on exports to that extent.

I might also mention the question of mill feeds, bran and shorts, which I hope the Minister of Agriculture will take into his consideration. Our laws compel bran and shorts to be sold pure in Canada, but not outside Canada. The consequence is that adulterated shorts, with the low export rate, can be landed in Denmark at much lower rates than the pure shorts can be delivered in British Columbia, with the result that Denmark can compete with us in the bacon trade. The law should be altered so that adulterated shorts should not be allowed to be sold in either the domestic or export trade.

On a previous occasion, in 1928, I think, I dealt with this matter, and I referred to what I called the desperate condition of the poultry industry in British Columbia; I did not think it could possibly be any worse than it was then. I cited the case of one man with five thousand birds, who said:

> Last month I shipped over 10,000 eggs, and I only received over the cost of the month's feed bill $14.20, for a month's work every day, including Sundays, 7 a.m. to 7 p.m.

On the same occasion I made allusion to the fact that the products of the hen alone—not the poultry—brought in a gross revenue per year of something like $80,000,000. Hon. gentlemen will hardly credit that. Conditions have grown, I am sorry to say, much worse. I wish to quote a couple of short extracts from letters that I have received recently. One is from a gentleman who adheres strongly to the party in office, so this cannot be called an ex parte statement. He is a practical farmer, with 500 birds laying well, with 76 per cent extras, that is, high-class eggs. Here is his record for the last four months from January to April. His feed bill, bought at best prices through a cooperative, for January was $80.10, and what did he get from the egg pool that month? He got $6.20 over his feed bill. In February he got 25 cents over his feed bill. In March he went behind $14.60. In April things looked up and he made a gross profit of $3.75. His total feed bill for the four months was $346.50, and he took in $342.10, so he only lost $4.40 on his four months' operations, and of course, all his work, seven days a week, as well as rent, depreciation, insurance, upkeep of buildings and all the other expenses. Then that man is expected to go to church on Sunday and sing a hymn, one line of which goes like this: "Peace on earth, good will towards men."

Mr. BENNETT: What would have happened had we not increased the duty on eggs nine cents a dozen last fall? He would have lost his farm.

Mr. HANBURY: He has lost it now, or it is on the way.

Mr. NEILL: He is living on his capital.

Mr. SPENCE: He is not the only one.

Mr. NEILL: I would like you to take notice, Mr. Speaker, that the expression that this man is living on his capital has caused some amusement among hon. members on the opposite side of the house. If I may be permitted I shall quote a letter from another man. It is as follows:

> Lower freight rates are the only hope I can see for the industry in this province and this includes the dairymen and swine breeders as well. If you need any figures on the poultry production costs, or the cost of producing eggs I would be glad to supply you. I enclose some quotations on feed showing how the present freight rates are as great as the cost of feed f.o.b. Edmonton.

Enclosed are some price lists from a wholesale house in Edmonton. It shows that the ordinary stuff needed for chickens, Nos. 4 and 5 wheat, runs from $12.50 down to $9 for stuff which would be suitable for pig feed. The freight rate for that material is $10.80 per ton. In some cases the freight rate is actually more than the price of the feed. In addition to that $4 has to be allowed for sacking and grinding. That makes a total of $14.80, or about $3 a ton more than the original cost of the grain. No wonder the hon. members from the prairies are also kicking about the prices to them.

There is another aspect to which I wish to direct the attention of hon. members which I do not think has been mentioned before in this debate. On a previous occasion when I spoke in the house I set out the difference between the export and domestic freight rates; I figured the difference to be $3.80 a ton. Previous to that it had been $3.20 and now it is $4.10. For the sake of argument let us assume that it is right that the export rate should be higher than the domestic rate. In my opinion that is not right. Let us suppose that that would be a proper condition, and let us consider that since the year 1922 there have been two reductions in the export rate and no reduction in the domestic rate so that at the present time the spread is nearly double what it was previously. If the first spread could be justified certainly the last two could not be. At this time I wish to quote from the Province, a well known paper in the west.

> Meanwhile, feeders, instead of using surplus wheat and barley from the Canadian prairies in their barns, are using Argentina or

American corn or imported prepared feeds of one sort or another. If the government of Canada desires to aid the prairie farmer in his distress—and there appears to be no doubt it does—

An hon. MEMBER: Who says that?

Mr. NEILL: The Province. The quotation continues:

—it can aid him by making it possible for him to find a home market for that part of his crop which he cannot send abroad.

Of course it will help equally the consumer in British Columbia and in the eastern provinces as well. I fully agree with the remarks of the Prime Minister concerning the difficulty of a political partisan body—because that is what the Privy Council of Canada is—dealing with a matter of this kind. However that is at present the only means of redress we have. I suggest that the matter should be referred not to the privy council but to the supreme court, which is not a partisan body and which has more time, opportunity, facilities and experience in weighing evidence properly in a matter of that kind than has the privy council. The supreme court could not be accused of being partisan in its views. Mr. Speaker, perhaps I am wrong in saying so, but I think if these men would take the law into their own hands and break it, the matter would be brought more rapidly to a head than by any other means. If five hundred of the poultry men in the vicinity of my friend from New Westminster, under the guidance of their local cooperative association, were to buy a carload of feed from the prairies, and when it arrived if they were to pay the agent at the little station the export rate and then open the car and each take a sack away from the car and decline to pay any more for it,—well they could not all be put in gaol.

Mr. GARLAND (Bow River): I would direct my hon. friend's attention to the fact that they are not permitted to break the seal or to open a car until they have paid the freight rates.

Mr. NEILL: I suggest that they take the law into their own hands and break the seal after they have paid what they think would be a proper rate. Such action would bring the matter to a head and to the attention of the various courts of Canada. Five hundred men could not readily be put in gaol, and as I say their action would bring the matter to an immediate head. Such action would bring the matter before the public and receive its sympathy and attention. If such action were not considered practicable I would advise the cooperative association to sue the railway company for the return of moneys. Such action could ultimately reach the Supreme Court of Canada. I think if any groups of fair size of any political party were determined to block the estimates to be considered in the house they would receive some satisfaction. However, at this time four or five men could not so block the estimates, because a few years ago, through the adoption of the forty-minute rule, we abandoned our right of free speech and sold our birthright for a mess of pottage. May I add that we did not get the pottage. At that time four or five determined men could have got some action. A man who would take such an attitude might be termed a bolshevik; it would be said that his action was absurd. Yet minorities have some rights under our laws. I wonder what advance would have been made on the Irish question in the old country if Irish members had not resorted to methods of obstruction. We would now be spending half our time listening to divorce bills had it not been for the action of my hon. friend from Winnipeg North Centre (Mr. Woodsworth). At the time his action may have been deemed a nuisance—it was a nuisance—but he got results. At last, as in the case of the importunate widow, we said, "Oh, fix the thing, for the sake of getting rid of it." That is the way the law was established. If a comparatively small number of men in this house said: "We are not going to vote money to carry on the business of Canada until we see more immediate prospect of action," they would get it. We do not expect the government to do the thing in a day. Before a promise of definite action however there should be no money voted. It would be wonderful to see how such a group of men would gain strength. Not only the little party itself but other people who are not in the party would say, "What is the trouble?" Eventually they would say, "It is right; why do you not deal with it?" Public sentiment would be aroused. The public would say, "These people are right; why do you not give them justice?"

I would like to mention one other point. Two or three hon. members from the prairies have been talking about two or three million dollars about which they are asking the government. They want to know whether or not the government has this money up its sleeve. Apparently the money was received from the sale of wheat in the years 1919 and 1920. There seems to be some doubt about it. They are talking about it, and they want it. Perhaps some day the British Columbia farmers will say, "We want a repayment of

the money which has been taken from us illegally since this rate has been put into effect. On two occasions the export rate was lowered, but the domestic rate has not been lowered at all." We will be coming forward asking for a long overlooked redress. I am not referring especially to the present government. As I said the last time I spoke on it, the late government stalled on this question and the present government are stalling on it. That is the exact situation. Why do they do it? Is it because they do not wish to antagonize the railway interests, or what is it? I ask the question and leave it to anyone who can to answer it.

Most of the propositions which are brought forward in this house asking for reform or for the promulgation of certain policies are made with the idea and the contention that they will produce improved conditions throughout certain parts of the country. The matter at present under discussion however may be viewed from two angles. First, it is a matter of simple, common barefaced justice, and it has the further angle or inducement that it would prevent a whole industry from being wiped out. Hon. members can go along the roads through parts of British Columbia and see house after house standing empty. This man used to grow chickens; this man tried to make a living raising pigs, but he could not compete with Denmark, and so on. The acceptance of this amendment would prevent the wiping out of these industries. As I say it is a matter of equal justice to all. There seem to be double-barrelled reasons why the government should take action immediately. I would have liked to see the Prime Minister a little more emphatic in his decision that at an early date he would settle the matter. His suggestion seemed to be more in the way of sending the matter back to the railway board. However the railway board has already dealt fully with the matter and turned it down. If we could get a more emphatic assurance from the government I would be heartily in accord with the suggestion that the amendment be withdrawn.

Mr. HARRY J. BARBER (Fraser Valley): Mr. Speaker, representing a district perhaps more affected than any other in the province of British Columbia by the high domestic freight rates now prevailing, to which reference has been made this afternoon, I cannot let the opportunity pass without making a few remarks.

I agree with the right hon. Prime Minister (Mr. Bennett) that up to the close of the house last night I was very much in sympathy with the hon. member for New Westminster (Mr. Reid), but when to-day he presented his amendment and injected party politics into the case I found myself unable to vote for the amendment. I repeat, I was quite in sympathy with the hon. gentleman yesterday for he put up a good case and covered the ground thoroughly. He said that we have been somewhat negligent in bringing this matter to the notice of the House of Commons in years gone by. I would remind him that it has been brought forward every session for the last five years to my knowledge.

Mr. NEILL: Hear, hear.

Mr. BARBER: In this connection I give great credit to the hon. member for Comox-Alberni (Mr. Neill). He is in a little different position from the hon. member for New Westminster (Mr. Reid) because he has taken an independent stand. It was amusing to hear the hon. member for Vancouver Centre (Mr. Mackenzie) rise in his place and with great indignation condemn the government for the serious condition of these industries in British Columbia. We had an election there last summer just the same as you had down here, and on that occasion hon. members should have heard the hon. member and others during the course of the campaign. To assist them they had the present right hon. leader of the opposition (Mr. Mackenzie King). When he arrived in British Columbia his political friends and advisers told him, "Now, you will have to make some announcement with regard to the freight rates question. The discriminatory character of the domestic freight rates is a very important issue here, and the election or defeat of a number of your supporters in this province will depend upon your announcement." The right hon. gentleman appeared in my constituency and also in other parts of the Fraser valley and made an announcement. I want the house to bear in mind that when he did so he was speaking as a member of the privy council before whom the question of these domestic rates was then sub judice. On a platform in the city of Chilliwack he said in effect: "This question of freight rates, I want to tell you ladies and gentlemen, we are working up to a successful decision, a decision that will be favourable to you. Now, I cannot go any further than that."

An hon. MEMBER: Was that after the hearing?

Mr. BARBER: A decision had not been given. It has not been given yet.

An hon. MEMBER: It was after the argument.

Mr. BARBER: Yes, after the argument had been heard. On that platform in Chilliwack he spoke along these lines: "Now, send down this gentleman"—my opponent; I am going to say something about him later—"send him down and I am sure we can fix this matter up satisfactorily to you people." Mr. Speaker, please bear in mind that this was not the first time that the right hon. gentleman had made that statement. He came out to the coast in 1925 and visited Vancouver. This question of discriminatory domestic freight rates was then an issue; it has always been an issue in British Columbia. It is a very important matter to us and it was brought to his attention. In 1925 he said in effect: "The government that I represent fully realizes the seriousness of this condition, and we will proceed at once to fix it up." He came back in 1926 and again referred to the freight rates to this effect: "This is, we know, a very serious problem and one that must be adjusted immediately, and I promise you people that the Liberal party will get busy immediately after the election and will adjust this to the satisfaction of you people." But in spite of those promises in 1925 and 1926 nothing was done, and yet he comes back in 1930 with the same old story. Now, my friend from New Westminster brings down an amendment which involves a vote of want of confidence in a government that has not been in power more than nine months. Well, even if the government was a Liberal government, and I was in opposition, I do not think I would feel justified in supporting such a want of confidence motion. I do not believe that any member on this side of the house would do so. But I think the hon. member for New Westminster, being a fair-minded man, would not hesitate to vote want of confidence in the preceding government before whom this question was under consideration for nine years. During all that time they did nothing, they made not one cent reduction in the domestic freight rates. What happened? The hon. member for Vancouver Centre mentioned the name of the man who ran against me. I may say—

Mr. MACKENZIE (Vancouver): I did not.

Mr. BARBER: Well, he called him by his first name.

Mr. MACKENZIE (Vancouver): No, I did not.

Mr. BARBER: Then I take it back. Perhaps it was the member for Vancouver-Burrard (Mr. Hanbury). The hon. member for Vancouver Centre, as the house is aware, for a short time occupied a position in the government of British Columbia. When this freight rates question was before the Board of Railway Commissioners, and before the privy council, it was brought to the attention of the Liberal government then in power at Ottawa that we had a Liberal government in power at Victoria under the leadership of the Hon. John Oliver—a particular friend, I believe, of the hon. member for New Westminster. What happened? They employed a legal gentleman to come down to Ottawa and present the case not only to the railway commission but to the privy council. Of course, the Liberal government in British Columbia thought that a Liberal lawyer would appeal to the right hon. gentleman who then occupied the position of Prime Minister (Mr. Mackenzie King). The provincial government of which my hon. friend from Vancouver Centre was a member, employed this lawyer.

Mr. MACKENZIE (Vancouver): That is not correct.

Mr. BARBER: You were later.

Mr. MACKENZIE (Vancouver): That is correct.

Mr. BARBER: I believe the hon. member was never reelected after appointment to the position.

Mr. MACKENZIE (Vancouver): I was always elected.

Mr. VENIOT: Stick to the facts.

Mr. BARBER: That is a fact. That Liberal lawyer came to my riding and distributed copies of a newspaper from one end of the constituency to the other with the statement "I have worked for you for years and years for nothing; therefore I expect you will send me down as your representative." Immediately I got in touch with Victoria and received a copy of his account and found that the former Liberal government of the province had paid him $168,000 for his services extending over a period of less than six years.

Mr. MACKENZIE (Vancouver): May I remark that I hope my hon. friend does not give the impression that he is referring to me.

Mr. BARBER: No, no, I am referring to your party in Victoria and to your party here as having some bearing on the case. The point I am making is that for nine years while we had the Liberal party in power here and the Liberal party in power in British Columbia, and a well-paid Liberal

lawyer was sent to Ottawa to appear before the privy council, not one cent reduction was made in the domestic freight rates that bear so heavily on British Columbia. Yet notwithstanding that long delay, this hon. gentleman from New Westminster now moves an amendment involving a vote of want of confidence in this government that has been in office only nine months, and his reason for moving the amendment is that in nine months—not nine years—the present government should have adjusted the matter I think this is unfair. As to the problem facing us, I agree with the hon. member for Comox-Alberni (Mr. Neill) and with the case as presented by the hon. member for New Westminster that the matter is serious, but I feel sure from the statement of the Prime Minister to-day and from statements which have been made by the Minister of Agriculture that this matter will receive serious consideration at the hands of the government. I believe they understand the conditions which exist in our province and the problems facing us, and I am sure they will make every effort to solve it. As I said before, if this resolution had been left as it was placed on the order paper by the hon. member for Willow Bunch (Mr. Donnelly) and brought in as it should have been brought in, I should have been only too glad to second the motion, but we find again the same old game, the injecting of politics into this question. That has been done by a few Liberals in British Columbia in every election, and this question made a political football. I will say, however, that the producers, the dairymen, the poultrymen and the boards of trade of that province do not want this question thrown into the political arena. I think as citizens of that province, as business men, farmers and poultrymen we are all of one opinion.

Mr. REID: Would the hon. member be in favour of getting a favourable decision right now, in view of the conditions which exist at present?

Mr. BARBER: I am in favour of the privy council giving a decision at the earliest possible moment; I do not know whether that decision will be favourable or unfavourable. I know it took the government supported by my hon. friend a long time to deal with the question; it went over for a year, and there was no decision. It was still under consideration when the election was held.

In conclusion let me repeat that I would have supported the original motion, for the purpose of educating some of the hon, members of this house and some of the people in eastern Canada in one of the many problems faced by the people of British Columbia. In that province we have problems which are perhaps peculiar to us, and this is one of them. I think that would have been the proper way to bring up this matter, instead of using it as a weapon with which to attempt to destroy a government which has been in power only nine months, and which has not had time to consider the matter.

Hon. P. J. VENIOT (Gloucester): I do not desire to take up much of the time of the house on this matter, and perhaps I would not have spoken at all had it not been that this matter affects the maritime provinces just as much as it affects the province of British Columbia. The domestic freight rate from west to east, from Winnipeg to the maritime provinces, is such that we in that section of the Dominion cannot take advantage of the opportunity to purchase wheat in order to develop the flour milling industry in the maritime provinces. If British Columbia has proper and reasonable grounds on which to ask for a lowering of the domestic rate in comparison with the export rate, we in the maritime provinces feel that we have an equal claim.

I should like to ask the government, in considering this matter, not to consider the application of British Columbia alone but to consider domestic rates generally throughout the Dominion of Canada. Now, when the price of wheat is so low, if we in the maritimes could take advantage of reduced domestic rates in order to purchase that wheat in large quantities, we would have established in the province of New Brunswick no less than two large flour mills to-day. I may say for the information of the house that in 1896 the provincial government of the day subsidized improved roller process mills for the manufacture of flour, intending thereby to encourage the growing of wheat in the province of New Brunswick. Quite a number of mills were established under that subsidy, but it was discovered that we could not raise wheat, owing to our climatic conditions, in sufficient quantities to warrant these subsidies being maintained. Lately a movement has been started in the maritime provinces for the establishment of one or two large flour mills in the city of St. John, but it has been found that the domestic rate on wheat from Winnipeg to the maritimes is so high that this wheat cannot be brought from the west. If a reasonable domestic rate could be given, the western farmers would find in the maritimes an increased market for their wheat and

for their coarse grains as well. In that way both the western and the eastern provinces would benefit, and it is for this reason I am interested in the question now before the house, in the hope that the government may take our case into consideration. I know that without an appeal from the maritime provinces against a decision of the railway commission the privy council cannot deal directly with the maritimes, but in dealing with this whole question of domestic rates from Winnipeg to the coast I hope at the same time the privy council will direct the railway commission to deal with domestic rates from west to east, from Winnipeg to St. John and Halifax.

While I am on this question, there appears to be a misunderstanding as to the date on which the appeal was heard by the privy council. The hon. member for Fraser Valley (Mr. Barber) stated that this matter has been standing for nine years, and that the Liberal government was dilatory in dealing with the matter. The decision of the railway commission was given in 1926. The appeal from that decision to the privy council was made in 1929.

Mr. STEVENS: Was it not the hearing that was held in 1929? I think the appeal was lodged some time prior to that.

Mr. VENIOT: The hearing was held in 1929. The appeal may have been lodged some time previous to that, but if hon. gentlemen will look up the records they will find that while one province was ready to proceed, another province was not ready, and in order to bring them together a date was fixed some time in September or October, 1929. Even that hearing was postponed at the request of some of the provinces, and the hearing did not actually take place until late in January, 1930. Parliament met on February 7, 1930, and during that session the former government had no time to deal with the appeal, so that no decision was given. If the reason, therefore, given by the right hon. Prime Minister this afternoon for the inaction of the present government since September is good, that reason has equal force in regard to the action of the former government. The former government did not hear the last presentation on the appeal until late in January, 1930, and it was not their fault. They were not to blame.

In conclusion, I should like to say a word with respect to this want of confidence motion. It was surprising to me that the Prime Minister should find fault with any one on this side of the house for moving a motion that might have the effect of a want of confidence in the government of the day. The hon. member who has moved the amendment or motion, as the case may be, is a new member of the house. He is not supposed to know, perhaps as fully as old members of the house do, what the effect of such a motion might be. Yet in face of that, instead of being generous to the member for New Westminster (Mr. Reid), the Prime Minister, to use a rather common expression, jumped down his throat. He reprimanded the hon. gentleman for bringing forward a motion that might entail the defeat of the present government. I was surprised, I say, that the right hon. gentleman should take that attitude, because in all the years I have been in parliament I have never known anyone to move more frequently motions of want of confidence in an existing government than did the present Prime Minister when he was in opposition. If the hon. member for New Westminster proposed a motion which amounted to a want of confidence in the government, he was only following in the footsteps of the present Prime Minister; and when he does so the Prime Minister no doubt considers that the hon. gentleman is taking a safe course. The Prime Minister, I presume, feels that the hon. member is following the proper path when he follows his own example.

Mr. GEARY: The hon. member knew what he was doing, then.

Mr. VENIOT: Well, even if he did know what he was doing, had he not a right to do it?

Mr. GEARY: Certainly.

Mr. VENIOT: Then why reprimand him? Why impute motives to the hon. gentleman and say that he proposed the motion merely in order to place the government of the day in a trying position? Surely, with the majority which the Prime Minister has at his back to-day, he need fear no vote of want of confidence in this house. I know he has a majority that will stand behind him through thick and thin no matter what he does so far as policies are concerned. I feel, therefore, that the hon. member for New Westminster should not have been taken to task by the Prime Minister. But it is not the first time that the Prime Minister has found pleasure in doing this, because it seems to be delightful to him to take to task new members on this side of the house. We old members who are used to the ways of the right hon. gentleman do not feel at all offended when he takes us to task. Indeed, we rather take it as a compliment when we are lectured by one who to-day stands up and blames us

for doing the very things which he did when he occupied the position of leader of the opposition—things which he did quite frequently and evidently with considerable gusto.

Mr. W. G. WEIR (Macdonald): I am not particularly interested in what may have taken place in the past concerning this important matter; what I am interested in is what is likely to take place in the future Conditions have changed materially since the appeals and representations that were made in days gone by, so that in my opinion it is essential that this important question should be reviewed again.

I congratulate the hon. member for New Westminster (Mr. Reid) upon having brought this matter to the attention of the house. I wish particularly to congratulate him on the able manner in which he has presented the subject, and I would go so far as to congratulate him on the excellent burr he had on the letter R.

The seriousness of the situation with regard to our domestic freight rates has been brought home to us very forcibly during the past few months, particularly as it affects our coarse grains in western Canada. The reduction in the price of grains has emphasized in no uncertain way the present cost of freight rates. When the prices of grain were higher and our grain was moving more freely into export, we were not concerned with the freight question to the degree that we are to-day, so far as our feed grains, particularly western barley, are concerned. But now that tariffs have been imposed against our grain going into those countries that import grain, we find the situation quite different, and it is for that reason that we are obliged to view the whole subject from a slightly different angle.

If I understand correctly the policy of the Conservative party, it is Canada first. We farmers in the west have feed grain for sale, and the live stock and poultry producers in both eastern and western Canada want this grain. Now, if the Conservative party are consistent and desire to carry out their policy of Canada first, I should think that this is one of the matters that would receive their very earnest consideration, and that early action would be taken in the matter. The hon. member for New Westminster has discussed the matter particularly from the point of view of the poultry producers of British Columbia and also as it affects the live stock feeders. I desire to discuss it from the point of view of the producers in western Canada, and, as well, of the feeders in the east.

The question of domestic freight rates is of special interest to the province of Manitoba. Manitoba is one of the oldest of the three western provinces and, as one might naturally expect, the fertility of its soil is somewhat impaired. We are therefore obliged to turn more towards the production of coarse grains, particularly barley. The significance of the situation, so far as Manitoba is concerned, lies in the fact that practically half the barley grown in the three western provinces is grown in that province. Consequently this question is of far-reaching importance to us.

I shall read a statement showing the differential in freight cost in shipping barley from the producing sections to Fort William and Calgary:

DIFFERENTIAL IN FREIGHT COST IN SHIPPING BARLEY FROM THE PRODUCING SECTIONS TO FORT WILLIAM AND TO CALGARY

Barley is now available for shipment at Souris, Man.

Distance from Souris to Fort William	569·7	miles at freight cost	17c.	per cwt. or	8·16c. per bus. barley
Distance from Souris to Calgary	680·5	miles at freight cost	38½c.	per cwt. or	18·48c. per bus. barley
Extra miles Souris to Calgary	110·8	Extra cost Souris to Calgary	21½c.	per cwt. or	10·32c. per bus. barley

Barley available in normal years at Arcola, Sask.

Distance from Arcola to Fort William	671·8	miles at freight cost	18c.	per cwt or	8·64c. per bus. barley
Distance from Arcola to Calgary	578·4	miles at freight cost	36c.	per cwt. or	17·28c. per bus. barley
Less miles Arcola to Calgary	93·4	Extra cost Arcola to Calgary	18c.	per cwt. or	8·64c. per bus. barley

Another interesting situation develops in the differential in the freight cost in shipping feed grains to the west coast for export and for domestic consumption. This has been referred to already this afternoon, but I should like to set out in figures what the situation is. It is as follows:

Oats and Feeding Wheats available at North Battleford in Normal Years

Distance from North Battleford to Vancouver. 1,015·3 miles at freight cost for export..24c. per cwt. 14·40c. per bus. wheat per bus. oats 8·1c.
Freight cost for domestic. 50c. per cwt. 30c. per bus. wheat per bus. oats 17c.
Against domestic consumption.....26c. per cwt. 15·60c. per bus. wheat per bus. oats 8·8c.

Vancouver to Shanghai January shipment $3 per short ton.... 9c. per bus. wheat.....5·10c. per bus. oats
Fobbing at Vancouver.....1·75 per bus. wheat.....1·75 per bus. oats

Cheaper for consumption in Shanghai than Vancouver by 4·85c. per bus. wheat 1·99c. per bus. oats

Barley available at Arcola, Saskatchewan, in Normal Years

Distance from Arcola to Vancouver, 1,219·9 miles at freight cost for export..... 29c. per cwt. 13·92c. per bus. barley
Freight cost for domestic..... 53½c. per cwt. 25·68c. per bus. barley
Against domestic consumption..... 24·50c. per cwt. 11·76c. per bus. barley

Ocean freight Vancouver to Shanghai..... 7·20c. per bus. barley
Fobbing at Vancouver..... 1·75

Cheaper for consumption in Shanghai than Vancouver... 2·81c. per bus. barley

If we look at this from the other direction, the difference in rail costs in shipping barley to the maritime provinces for export and for domestic consumption is as follows:

Distance from bay ports (Goderich) to St. John, N.B., 1,099·8 miles at freight cost for export.. 16·04c. per cwt. 7·7 per bushel barley
Freight cost for domestic..... 41·5c. per cwt. 19·9 "
Against domestic consumption..... 12·2c. "
St. John, N.B. to Liverpool, February shipment 1/6 per quarter.. 3·6 "
Fobbing at St. John, N.B..... 1·75 "
Cheaper for consumption at Liverpool than St. John by..... 6·85 "

I have under my hand the record of a shipment of grain to which I would like to refer. On October 16, 1930, a shipment was made from Fort William of 116,101 bushels 3 C.W. barley to Sorel, Quebec. This steamer was unloaded at Sorel on November 10, 1930. The actual cost of moving the shipment all water was made up as follows:

Lake freight and lake brokerage, 8¾ cents per bushel.
Fobbing at Fort William, 1½ cents per bushel.
Marine insurance and outturn, ½ cent per bushel.
C.I.F. brokerage, ¼ cent per bushel.
Actual cost in store, Sorel, 11 cents per bushel.

The domestic rail freight rates are as follows:

Sorel to Stanley, N.B.—
30 cents per 100 pounds or 14·40 cents per bushel barley.
Sorel to Aulac, N.B.—
31 cents per 100 pounds or 14·88 cents per bushel barley.
Sorel to Judique, N.S.—
40 cents per 100 pounds or 19·20 cents per bushel barley.

[Mr. W . Weir.]

The actual cost of 3 C.W. barley on track at these three points on March 3, 1931, is as follows:

Stanley, N.B.—
Winnipeg closing spot price, 24⅛ cents per bushel.
Lake transportation costs to Sorel, 11 cents per bushel.
Loading on car at Sorel, 1 cent per bushel.
Rail freight Sorel to Stanley, N.B., 14⅜ cents per bushel.
Cost on track Stanley, 50½ cents per bushel.
Aulac, N.B.—
Winnipeg closing spot price, 24⅛ cents per bushel.
Lake transportation costs to Sorel, 11 cents per bushel.
Loading on car at Sorel, 1 cent per bushel.
Rail freight Sorel to Aulac, N.B., 14⅞ cents per bushel.
Cost on track Aulac, 51 cents per bushel.
Judique, N.S.—
Winnipeg closing spot price, 24⅛ cents per bushel.
Lake transportation costs to Sorel, 11 cents, per bushel.
Loading on car at Sorel, 1 cent per bushel.
Rail freight Sorel to Judique, 19¼ cents per bushel.
Cost on track Judique, N.S., 55⅜ cents per bushel.

On March 3, 1931 3 C. W. barley sold c.i.f. German ports for May shipment at less than the same barley could be quoted on track to maritime feeders by:

10½ cents per bushel less than at Stanley, N.B.

11 cents per bushel less than at Aulac, N.B.

15⅜ cents per bushel less than at Judique, N.S.

Another very interesting and serious point is to be taken from these figures. Souris, Manitoba, has a freight rate of 8⅛ cents per bushel for barley to Fort William. That means that the farmer received from 3 C.W. barley on March 3 at the country elevator, 16 cents per bushel, and this allows nothing for commission or local elevator charges. In order that the feeder at Stanley, New Brunswick, may secure this barley, he has to pay 34½ cents per bushel in transportation charges alone, or more than twice as much as the barley is worth to the man who is actually producing.

I have under my hand some quotations under date of January 22, 1931, of prices c.i.f. United Kingdom ports, for February-March shipment. This has been translated into Canadian weights and currency as follows:

Russian barley, 34⅞ cents per bushel (48 pounds).

Danubian barley, 34⅞ cents per bushel (48 pounds).

3 Canada western barley, 40 cents per bushel (48 pounds).

On the same day 3 C.W. Canadian barley was quoted at 40 cents for 48 pounds c.i.f. Hamburg,—and at 40.04 cents c.if. Antwerp or Rotterdam. An English farmer can buy Canadian barley at a less freight cost than farmers in most parts of the maritime provinces.

I propose to set that out in this way:

Comparative Rail Rates for Export and Domestic Use

Rail rate from bay ports to St. John, N.B. for export: 16·04 cents per cwt.; 7·7 cents per bushel barley.

Ocean rate February shipment St. John, N.B. to Liverpool: 1/6 per quarter; 3·6 cents per bushel barley.

Fobbing at St. John, N.B.: 1·75 cents per bushel barley.

Total cost c.i.f. Liverpool: 13·05 cents per bushel barley.

Rail rate from bay ports to St. John, N.B for domestic use: 41·5 cents per cwt.; 19·9 cents per bushel barley.

Cheaper c.i.f. Liverpool than in store St. John, N.B. for domestic use by 6·85 cents per bushel barley.

Going to the other side of the country, we find that barley c.i.f. Shanghai is cheaper than for domestic consumption in British Columbia. The figures are as follows:

Rail rate from Arcola, Saskatchewan—

Arcola being in one of the more westerly producing sections.

To Vancouver, B.C. for export: 29 cents per cwt.; 13·29 cents per bushel barley.

Fobbing at Vancouver, B.C.: 1·75 cents per bushel barley.

January ocean freights, Vancouver to Shanghai, per short ton: $3·00; 7·20 cents per bushel barley.

Total cost c.i.f. Shanghai: 22·87 cents per bushel barley.

Rail rate Arcola to Vancouver, B.C. for domestic use: 53½ cents per cwt; 25·68 cents per bushel barley.

Cheaper c.i.f. Shanghai than in store Vancouver for domestic use by 2·81 cents per bushel barley.

Another interesting situation has developed which, I think, perhaps some of us may be overlooking. I have under my hand comparative statements of disposition of stockers and feeders, calves and hogs, as follows. I am giving only the totals:

Comparative Statement of Disposition of Stockers and Feeders, Union Stock Yards, St. Boniface, Man.

East

1930	28,004
1929	19,756

South

1930	3,264
1929	56,557

Comparative Statement of Disposition of Calves

East

1930	3,487
1929	2,033

West

1930	312
1929	4,497

Comparative Statement of Disposition of Hogs

Shipments East

1930	232,614
1929	156,159

Shipments South

1930	....
1929	229

That indicates to me, Mr. Speaker, a very decided change in the policy of the live stock producers of this country. In my opinion more live stock is going to be shipped to eastern Canada for feeding purposes. It is therefore essential that our eastern feeders be permitted to secure our western feed grains at a reasonable figure. In my view, the responsibility is on this house to see that a policy in that regard is carried out.

I want to repeat that so far as freight costs are concerned the poultry raiser of British Columbia has to pay 4·85 cents per bushel

on wheat, 2·81 cents per bushel on barley, and 1·99 cents a bushel on oats more in freight costs than the same grain can be delivered in store at Shanghai. Also, it costs 6·85 cents per bushel more for freight charges to deliver barley at St. John for domestic purposes than it does to deliver the same barley at Liverpool and many other European ports.

We ship our grain across the Atlantic to farmers for feeding purposes at a less cost than we will allow our Canadian farmers to secure it at, and these farmers in turn feed this grain which they secure from Canada to their live stock which, in turn, comes into direct competition with our Canadian live stock in the British market. Surely, Mr. Speaker, this is unfair discrimination against our Canadian producers not only of live stock but also of grain. It is something which needs very careful and very earnest consideration at an early date.

Some observations have been made in this house as to the effect on our railway earnings of a reduction in domestic freight rates. I do not know that we should dwell at too great length on that. The situation simply is that the producers of grain and the consumers of grain are in an even worse position than the railways themselves, and in my humble opinion—it may not be worth much—I feel satisfied that if the railway companies would carry this grain at a reasonable rate, at a rate to encourage shipment and consumption, their earnings would be more than made up by increased traffic, which, in turn, would give greater employment. I feel satisfied that if the scheme were worked out on a basis of equity in that regard it would be to the advantage of all concerned—the producers of live stock, the people who want to feed these grains in various parts of Canada, the railways, and to the unemployed as well. In my opinion one of the reasons for the falling off in railway earnings in western Canada to-day is the high domestic freight rates which prevent grain from moving from one place to another. I am therefore very glad that the situation has been brought to the attention of the house by the hon. member for New Westminster, and I have very great pleasure in supporting his amendment, which I think has been introduced at a very opportune time.

Mr. T. F. DONNELLY (Willow Bunch): I wish to associate myself with the hon. member for New Westminster (Mr. Reid) who has made this motion. Freight rates are always a matter of interest in western Canada. In fact, there is no set of farmers in the world who are so much interested in freight rates as the farmers of western Canada. Geographically we are situated in the middle of a continent, and the result is that on any produce we have to sell we have to pay a long freight haul to get it to the markets of the world, and on anything we buy, no matter whether we buy it in eastern Canada or elsewhere, we have to pay a long freight haul. If we want to buy lumber, we have to pay a long freight haul from the Pacific coast. If we want to buy fruit, we have to pay a long freight haul from the Pacific coast. On everything that we consume in western Canada, whether manufactured or raw products, we have to pay a long freight haul before we can get it, and on anything that we produce we have to pay a long freight haul before we can get it to the markets of the world. Naturally, therefore, Mr. Speaker, no other people in the world are so interested in rates as the farmers and people of western Canada.

Speaking in this house the other day on the question of wheat, I pointed out that it costs the farmer of western Canada from 15 to 20 cents a bushel more than any other farmer to get his wheat on the markets of the world. We have a long freight haul to put our wheat on the markets of the world which costs from 30 to 35 cents a bushel, whereas the Argentine, Russia and Australia can put their wheat on the markets of the world at a cost of from 15 to 20 cents a bushel. So there is always in their favour, on account of their having water haul instead of rail haul, an advantage of from 15 to 20 cents a bushel.

Freight rates have always been a burden. Therefore we appreciated very much the action that was taken some years ago when the Crowsnest pass rate was granted. It is only in the present year practically, when we have such a quantity of feed and coarse grains that we are not able to get a price for, that we have realized that our local domestic rates are too high as compared with our export rates. As has been pointed out in this debate, we find that in shipping for export, we can ship our barley and coarse grains via Vancouver to Shanghai for a far less rate than we can ship them to Vancouver. We find that the people of Vancouver can practically go to Shanghai and buy Canadian barley there and ship it back to Vancouver, and in the end get it as cheap as if they bought it direct from the prairies. This does not seem right because we are asking the people of British Columbia to produce

eggs and poultry, and yet we are sending our coarse grains over to China and Japan to be used by the farmers there in producing poultry and eggs which will compete with the products of our own people. We are giving the farmers of China and Japan cheaper feed than our own people in British Columbia. That surely is not the Canada-first policy. I say that the Canada-first policy is a good policy when not carried to extremes, but I say that in all cases we should help our own Canadians just as much as outsiders, and if we are going to give the people of China and Japan our coarse grains and other products cheaper than we give them to our own people in British Columbia I say that we are not using our own people right.

Again, with regard to grain coming to eastern Canada, we have been told here this afternoon that we are laying our barley down in Hamburg, Copenhagen and other European ports cheaper than in Nova Scotia or New Brunswick. We have been told that we are sending our barley and oats and feed wheat to people over there in Europe to feed their hogs and cattle, which are then sold in England in competition with our own hogs and cattle, cheaper than we are sending them to eastern Canada. Surely that is not a Canada first policy. Canadians should get their feeds just as cheap as the people over in Copenhagen and Hamburg and other European ports. In western Canada at the present time we have all kinds of barley and rye and feed oats and feed wheat in storage, and we cannot sell it. Let me give a few illustrations. A man, R. Christie, of Grenfell, had a carload of rye which he shipped to Fort William. When it got there he had a freight bill of $18.35 to pay. So he gave the rye away, and had to pay $18.35 besides to get somebody to take it. Here is another case. C. Bohn of Broadview, had three carloads of rye in the elevator ready to ship. He was preparing to ship when the elevator man said, "I won't ship that out; you have a carload of your good wheat; go to the bank and draw money on that to pay your freight." He went up to the bank and tried to draw money, but the bank would not advance any, and the result was that he had to take the rye back home again or give it away. These are conditions which exist in the west in regard to feed, showing how plentiful and cheap it really is. In the prairie provinces a certain amount of barley and feed has been sold. Our governments out there pay half the freight rates to different parts. I myself sold some grain which was shipped from one section of Saskatchewan to another half the freight being paid by our local government. In that way we were able to get rid of some of our wheat. In the same way, if the domestic freight rates were cheaper in Saskatchewan the farmers in the western provinces would be able to ship their feed from one part to another, and produce hogs to sell on the markets of the world.

When I was in the west in the month of December I had presented to me another startling illustration concerning freight rates. At that time No. 1 northern wheat, the best in the world, was selling on the street for 30 cents a bushel. Imagine, No. 1 northern wheat at 30 cents a bushel, half a cent a pound. On the very same day I went down to the premises of one of the milling companies,—the Lake of the Woods Milling Company, to be exact,—and I found that they asked $15 a ton for bran, or three-quarters of a cent a pound. We are paying $15 a ton for bran and selling No. 1 northern wheat for $10 a ton. In other words it required a ton and a half of the best wheat to buy a ton of bran. The same statement applies to flour. In western Canada we grow the wheat, and yet our flour is as highly priced as it is in other parts of the Dominion. Flour in the province of Saskatchewan, where the wheat is grown, is more highly priced than it is in most other parts of Canada or the British Isles. The reason is that no matter where the flour is milled the price is based on Fort William. The price operates just as though the wheat were shipped to Fort William, milled there and the flour shipped back under local freight rates to the province of Saskatchewan. The local freight rates are so high that in Saskatchewan we pay more for our flour than does any other part of Canada. The same is true with regard to bran. That is why I say it required a ton and a half of No. 1 northern wheat to buy a ton of bran.

I wish to refer to only one more point. The excuse may be put forward that a change in the rates will cost the railways too much money, and that at the present time the railways are not making any money. The statement is made that the railways are from day to day losing money and that a reduction in rates would result not in giving them more business, but in financial embarrassment. The suggestion is made that the rates should be increased rather than decreased. I say that if the rates were reduced the business of the railroads would increase and they would do more business. If their rates were reduced more men would be employed. Under the present rates the cost of rights-of-way are just the same, the costs of facilities are just the same, their cars are in their

yards and should be in use. If the rates were reduced they would be in use. The coarse grain from western Canada would find its way into eastern Canada. For the last few years we have been importing from Argentina and the United States somewhere in the neighborhood of 10,000,000 or 15,000,000 bushels of corn to feed the cattle of this country. If that is so we should put a duty on corn. The freight rates on coarse grains should be reduced so that they may be brought east, at a cheaper rate and be placed in competition with the corn from the Argentine. True some stock raisers say that animals cannot be properly finished without the use of corn. Some people believe that, and I do not think we should reject their views and say that they must do without corn. I say however that we should place our barley and coarse grains in eastern Canada at low or moderate rates so that we could compete in price with those of Argentina and the United States, thereby preventing corn from coming into this country. Why should corn be brought from the Argentine, thereby helping the Argentine farmers, while our own barley is left to rot out on the prairies? I trust the government will consider the matter of rates, and have it referred to a committee so that before very long some remedial action may be taken for the benefit of the western farmers as well as the feeders in eastern Canada.

Mr. G. B. NICHOLSON (East Algoma): The question of freight rates which has been raised in the amendment moved by the hon. member for New Westminster (Mr. Reid) is one of very great importance. At this time I would like to direct a few remarks to some of the statements which have been made with regard to the general question of freight rates, and particularly in relation to the observations of the hon. member who has just taken his seat (Mr. Donnelly). It has been said that the export freight rate on wheat from western Canada is the highest in the world. It may be true that it costs more to send wheat from western Canada to the European markets than to send it from the Argentine republic, Australia or some country where carriage by water is a predominating factor. However, if hon. members would compare the freight rates from western Canada to the markets of the world with the freight rates from the United States over the same distances I think they would learn that Canadian freight rates are as advantageous as those of the United States, if indeed they are not more so. The chief point is as to whether the domestic and export rates shall be equalized. The point arises as to whether the people in British Columbia, for instance, would be prepared to have their export and long haul rates equalized with domestic rates all over Canada thereby bringing the whole freight structure up to the point where the percentage of cost of moving a carload of similar product in any part of Canada would be equalized on a mileage basis. That virtually is what is asked for. Let me put this question: Would the wheat producer in western Canada be in favour of having export rates applied on wheat from western Canada to Fort William, Vancouver, Quebec, Montreal, St. John, New Brunswick or any other exporting point on the same basis as domestic rates for the same character of product to the people all over Canada? On the other hand would producers of lumber, apples and canned products in British Columbia be prepared to defend a freight structure which would cost them on a mileage basis as much to ship a carload of lumber, a carload of apples, a carload of canned salmon or a carload of eggs from Vancouver to Montreal as it would cost an Ontario farmer or lumberman on the same mileage basis to ship his product to the same market. For the information of hon. gentlemen and in no controversial spirit whatsoever I can tell them this, that you can ship a carload of lumber from a mill in Vancouver to Montreal cheaper than you can ship the same commodity from a northern Ontario mill to the same market; you can ship a carload of apples 100 miles into the Montreal market for less money than you can ship a carload of apples 25 miles in Ontario to the same market.

Mr. NEILL: Lumber has an alternative water haul.

Mr. NICHOLSON: There is an alternative water haul. But the same thing applies to Toronto, Buffalo, North Tonawanda, or any other large distributing centre in the east; it is the question of the long haul and the short haul. The cost of shipping feed into Ontario has been discussed. It costs more to ship a carload of mill feed, coarse grains, from Fort William 500 miles to some distributing point in Ontario than it costs to ship wheat from Calgary to St. John, New Brunswick, for export. Would anyone suggest that you bring the export rates up to a basis that would make it possible for the railways to earn a revenue upon which they can live, and have them predicated upon the domestic rates?

Mr. REID: But we are asking that the domestic rates east be on the same basis as the rates west to Port Arthur and Fort William.

Mr. NICHOLSON: The export rate is a low rate on every commodity, but we have to bear in mind that we must provide a rate structure that will make it possible for the railways to earn sufficient revenue to pay their operating costs. I am not disputing the difficulties we are under in view of the adverse rates, not at all. But the whole point comes back to this: Can we ask the railway commission to create a rate structure that will equalize all rates in Canada without affecting export business? I do not think we can. There may be cases such as my hon. friend has cited this afternoon where some injustice exists, but when we discuss the matter of equalized freight rates throughout the country we are going in the face of what has been clamoured for, particularly by western Canada as long as I can remember anything in regard to freight rates, and that is a cheap rate for the long haul exportable product. My hon. friend from Willow Bunch (Mr. Donnelly) who has just taken his seat referred to the fact that there were products in western Canada that you could not ship into any market where they could be sold at a price that would give back the cost of the freight haul. There are many, many cases of that character in all parts of Ontario. Let me cite just one that I happen to know something about myself. There are 20,000,000 laths in the lumber yards of firms with which I am associated, and there is a market for those laths in New York. It will cost 50 cents a thousand more to ship those laths from the point of production to New York than they can be sold for when they arrive there. That is due to the depressed condition in business of that character all over the world.

An hon. MEMBER: Water competition.

Mr. NICHOLSON: No, not at all.

An hon. MEMBER: It is due to the tariff.

Mr. NICHOLSON: No, it is not due to the tariff either. There is not any tariff applying. We ship the produce free, and if the exporter in the United States could ship it across here it would come in free. The trouble is due to the low value of the product and the cost of haulage. In fact there is virtually no value in the product after the freight is paid. These things apply in a hundred different ways. For example, take the long haul and the preferential freight rate. It will cost a farmer in the Ottawa Valley more to ship me a carload of potatoes for one of my lumber camps than it will cost the farmer in New Brunswick to ship a carload of potatoes to the same place. If someone suggested that we equalize those rates as between the Ontario and New Brunswick farmers, I am afraid the maritimers in this house would raise the same cry as has been raised in western Canada. Everybody sympathizes with the situation we are in, but when you approach the question of a rate structure based on equalized rates, and say you are going to have the same comparative rate between Alberta and Vancouver as between Alberta and Hong Kong, I am very much afraid you are defeating the very object you are endeavouring to attain in creating an export market for the goods that we produce so largely in this country, and that we must export.

Mr. CAMPBELL: Are we to assume then that export freight rates are not profitable?

Mr. NICHOLSON: If the matter was analyzed from A to Z, it would be found that the railways could not live on export rates; for instance, they could not live on the rates on export wheat from western Canada to the European markets.

Mr. CAMPBELL: There is plenty of evidence to the contrary on the Crowsnest pass grain rates.

Mr. NICHOLSON: In the course of that discussion it must be borne in mind that you leave out of the picture entirely the whole capital cost behind the construction of the railways, the maintenance of their equipment and everything else that goes with it—absolutely inescapable charges. If you distributed the export business in grain alone over twelve months of the year, instead of the short period during which grain has to be hauled, you could reduce the rolling stock of all the railways in Canada 50 per cent.

Mr. HANBURY: That is true in British Columbia where we have a twelve month period.

Mr. NICHOLSON: Why is it true? Because this equipment is idle eight months out of the twelve.

Mr. HANBURY: Not in British Columbia.

Mr. GARLAND (Bow River): Good heavens! that is not true.

Mr. NICHOLSON: Excuse me, it is true.

Mr. GARLAND (Bow River): But my hon. friend can take the actual statistics of the railroads and find that the haulage of wheat continues fairly steadily throughout the year with the exception of the winter months.

Mr. NICHOLSON: It continues, yes, to some degree; but will my hon. friend suggest that the statement is not correct, that the period of the year when the heavy wheat traffic prevails is September, October, November and December?

Mr. GARLAND (Bow River): Quite correct.

Mr. NICHOLSON: And if that traffic was equally distributed over the whole twelve months, I repeat my statement—and I know it to be correct—50 per cent of the rolling stock that has been brought into being in this country for the purpose of carrying that freight would never have been required to be purchased.

Mr. NEILL: But the domestic business is more all-the-year-round than the export; therefore it should get a lower rate.

Mr. NICHOLSON: That is perfectly true; if you lower the domestic rate and increase the export rate, and so make it possible for the railways to live, all well and good; but you cannot reduce both sets of rates.

Mr. MUNN: If my hon. friend will come to Vancouver he will find that they have seed grain moving every day of the year for export. Our contention is they should reduce the domestic rate and get the resultant increased tonnage.

Mr. NICHOLSON: And increase the export rate?

Mr. MUNN: No.

Mr. NICHOLSON: Will my hon. friend take the balance sheets of the Canadian National Railways for the last ten years and find out how much money they made on these rates?

Mr. NEILL: They paid 10 per cent.

Mr. NICHOLSON: The Canadian National Railways?

Mr. NEILL: Oh, the Canadian National Railways.

Mr. MUNN: If the domestic rate was reduced the increased volume would mean cheaper haulage.

Mr. NICHOLSON: No.

Mr. MUNN: It happened when the differential was cut 50 per cent.

[Mr. Nicholson.]

Mr. SPEAKER: Order. The hon. gentleman can make a speech for himself later.

Mr. NICHOLSON: I do not propose to take up the time of the house very much longer in connection with this matter. I merely rose to point out what was prevailing all over this country. I would point out that if people in the west or in the far east, who are constantly referring to these things, are anxious to have an equalization of freight rates, domestic and export, they should study the problem with some degree of thoroughness before making any suggestion of that kind. I am afraid it would be the people in the west who would suffer to a very great degree.

Mr. BROWN: Is not my hon. friend overlooking the fact that the chief contention has been that grain is not moving at all under the existing rates?

Mr. NICHOLSON: That is perfectly true; lumber is not moving either, and there are hundreds of commodities which are not moving under the existing rates. Do we suggest that we are going to load the whole thing on the railroads and ask them to carry goods for nothing? That is virtually what it would amount to. As an hon. member suggests, where would they carry those goods? This matter should be left with the railway commission.

Mr. REID: We have left it with the railway commission too long.

Mr. NICHOLSON: I say to my hon. friend, do not urge too strongly an equalization of short and long haul rates, because it will be the people at the extremities of this country who will suffer most from any such equalization.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I do not want to take up very much of the time of the house, but no hon. member from Alberta has had a chance to say anything as yet in regard to this resolution. I want to assure the hon. member who brought up the matter that he has almost the unanimous support of the people of Alberta in demanding a lower domestic freight rate on grain. Sometimes in my district we have low grade grain which we would like to ship to the poultrymen of British Columbia, but we cannot do so because of the high freight rate. I have under my hand a letter from the assistant chief traffic officer of the Board of Railway Commissioners, under date of May 2, 1929, in which he says that the rate for export from our station to Vancouver and New West-

minster is 20 cents per hundred pounds, but that the rate on grain for domestic consumption to the same points is 42 cents per hundred pounds or more than double the export rate. The rate to Victoria is 45 cents per hundred pounds, considerably more than double the rate for export.

Just in reply to the remarks of the last speaker may I say that we believe the increased traffic under a lower freight rate on domestic grain would make up for any loss which might be sustained in moving the quantity now being handled at a lower rate. I do not think there is much doubt about that, and we might all receive the benefits of such a reduction. In order to show the house that the farmers of Alberta are solidly behind the people of British Columiba in their efforts to secure a reduction on the rate on domestic grain, I should like to quote a resolution which was passed at the last annual meeting of the United Farmers of Alberta. I think resolutions similar to this have been passed by this organization annually for the past eight or nine years. The resolution reads:

Whereas the freight rate on wheat for domestic use in British Columbia is one hundred per cent higher than the rate on wheat for export;

Be it resolved that we ask the federal government to lower the rate on domestic wheat to the same level as for export wheat.

I should like also to read a resolution passed at a general meeting of the wheat pools of western Canada, held in Winnipeg on March 13:

Whereas, the Canadian surplus of feed grains is increasing year by year due to increased production and the difficulties faced by the Canadian live stock industry; and

Whereas, millions of bushels of Argentine and American corn are imported each year into Canada for feed purposes; and

Whereas, the logical outlet of large quantities of the surplus feed grains from western Canada lies in the live stock industry of the Dominion; and

Whereas, the domestic market for feed grains is the only sure market in these difficult times; and

Whereas, there is very marked disparity between domestic and export freight rates on feed grains to the extent that western Canadian barley, for example, has been laid down in such European ports as Hamburg, Bremen, Antwerp, Rotterdam, Copenhagen and Liverpool at from six to thirteen cents per bushel cheaper than the same grain could be supplied to feeders of live stock in the maritimes of Canada;

Be it therefore resolved, that this interprovincial conference, representative of the pool grain marketing agencies in Alberta, Saskatchewan and Manitoba, go on record as strongly urging the necessity for a thorough investigation into this disparity in domestic and export freight rates on western grain, both east and west, with a view to bringing about an equalization of such rates; and that copies of this resolution be forwarded to the governments of Canada and of all the provinces, the Board of Railway Commissioners for Canada, and also to each member of the House of Commons.

I believe that resolution expresses very clearly and very fairly the opinion of the grain growers of western Canada in regard to this matter. I had intended to quote some of the actual rates in effect between different points, but that has been so well covered by the hon. member for Macdonald (Mr. Weir) that I will not bother to do so at this time. However, I do wish to say that I think it is time the government of Canada took some action—because we cannot get action from the railway commission—to see that the egg producers of Japan and the bacon producers of Denmark do not secure Canadian grain for less than is paid by Canadian producers of these same commodities.

Mr. NICHOLSON: Would my hon. friend suggest that we should abolish the railway commission and make the whole question of freight rates in this country a political question?

Mr. COOTE: No, I will not go that far at present, but I never could understand some of the judgments of the Board of Railway Commissioners. Just here I should like to say a word of appreciation of the work of Hon. Mr. Oliver, a former member of that board. I should like to quote very briefly from the dissenting judgment rendered by Mr. Oliver in connection with this very matter under discussion. He said:

The all-rail export rate Fort William to Montreal is 34½ cents per 100 pounds. The domestic rate is 37½ cents which is three cents over the export rate. The rail distance Fort William to Montreal is somewhat more than one-half greater than that between Calgary and Vancouver. There would not appear to be any reason why the difference between export and domestic rates on grain of export standards from prairie points to Vancouver should be greater than that between domestic and export rates on the longer haul, Fort William to Montreal.

If the domestic rate on grain coming east is only three cents per bushel more than the export rate, why should it be more than double on grain going west? That is what we cannot understand. The judgment proceeds:

Although a domestic rate three cents per 100 pounds over the export rate from prairie points to Vancouver would be the same difference between domestic and export rates as now prevails on the all-rail grain movement from Fort William to Montreal, it would not put the respective populations of Vancouver and Montreal in the same relative positions as to cost of their domestic supplies, because central

Canada generally, including Montreal, in fact gets the bulk of its domestic supply by rail and water at the export rate.

Then Mr. Oliver goes on to deal with the question of damaged grain:

Damaged grain is not as suitable feed for live stock as sound grain, but if it can be secured at a sufficiently lower price, it answers the purpose fairly well and will be used accordingly. The present domestic rate of 41½ cents per 100 pounds practically excludes such grain from use by the poultry and dairy farmers of the coast region and compels them either to pay the full price for grain of export quality, with the 41½ cent transportation cost added, or to buy corn imported by ship from the Argentine. Either way the country suffers an economic loss and their difficulties in carrying on their operations are materially increased.

I commend that paragraph to the hon. member for East Algoma (Mr. Nicholson). It explains the case fairly well, and indicates why the domestic rate should be lowered. Then again:

The feed value of low grade or damaged grain is not sufficient to allow the British Columbia consumer to pay a price that will enable the producer to haul to the railway station and pay the present domestic rail rate as well, in competition with corn from the Argentine, delivered by ship in Vancouver. The railroad therefore altogether loses the haul on this grain, while the producer loses the selling value of the grain and the British Columbia poultry and dairy farmer pays his money for a foreign supply. . . . The transportation of grain of these lower grades at export rates would not by any means place the consuming population of British Columbia in the same favourable position in regard to their domestic food and feed supply as that at present enjoyed by the people of central Canada, but it would be in that direction and would be of substantial advantage to the prairie producer and to the railway as well.

I should like to quote the last two sentences of his judgment. He recommends:

That the Canadian Pacific and Canadian National Railways be notified that rates on grain and flour for domestic use shall not be more than 3 cents per 100 pounds higher from prairie points to Vancouver than the rates from the same points on grain and flour for export.

He does not suggest the same rates, but he does suggest that the same rate might apply on low grade grain.

Provided that the rate on grain below export quality, that is, wheat of a quality below the grade of No. 4 northern, and other grains below the grade of No. 3 C.W. (Canada Western) shall not exceed the export rate.

I am quite unable to understand why the other commissioners should not have agreed with the judgment given by Mr. Oliver. It seems to me to have been reasonable. I would simply say in closing that I hope the government will take such action as may be necessary to adjust this situation. Certainly it should be remedied, and in my opinion such action would be as fine a part of the Canada First policy as this government could possibly take.

Mr. W. J. LOUCKS (Rosetown): I want to endorse what has been said in regard to this question. I am in sympathy with the suggestion that something should be done in connection with this domestic rate problem. The time is ripe for it, and now that the matter has been submitted to the Prime Minister I am sure something will be done. I trust it will not be a football for years to come but that we shall get results.

On motion of Mr. Willis the debate was adjourned.

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

Thursday, May 21, 1931

The house met at three o'clock.

RAILWAY COMMITTEE

Fourth report of the select standing committee on railways, canals and telegraph lines—Mr. Harris.

INDUSTRIAL AND INTERNATIONAL RELATIONS

Mr. F. W. TURNBULL (Regina) presented the first report of the select standing committee on industrial and international relations, as follows:

Your committee recommend that 500 copies in English and 200 in French of the evidence to be taken, together with such papers and documents to be incorporated with such evidence, be printed and that standing order No. 64 be suspended in relation thereto.

Mr. TURNBULL moved that the report be concurred in.

Motion agreed to.

BANK ACT AMENDMENT

Mr. H. E. SPENCER (Battle River) moved for leave to introduce Bill No. 49, to amend the Bank Act.

Some hon. MEMBERS: Explain.

Mr. SPENCER: The purpose of this bill is simply to enforce that clause of the Bank Act which limits the rate of interest which may be charged. According to the act the highest rate that may be charged is 7 per cent, but banks in the three prairie prov-

inces very largely, and in other provinces to a certain extent, are charging more than the lawful rate.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BEAUHARNOIS POWER CORPORATION

Mr. GARDINER:

1. Has the right hon. the Prime Minister, received the departmental report of the investigation regarding Beauharnois which he mentioned at the special session as having been undertaken by him?

2. If such a report has been received, will he table it?

3. Have plans for remedial works of the Beauharnois development been filed and approved by the government?

4. Are the plans under which the Beauharnois development is now being proceeded with the same plans which were approved by order in council, P.C. 422, dated May 8, 1929?

5. If the present plans are not the same as above approved, have they been approved, and if so, how and when?

6. If any change has been made in these plans, what are the changes and why were such changes made?

Mr. BENNETT: I mentioned, Mr. Speaker, yesterday that in view of the near appointment of a parliamentary committee to investigate the matter referred to in this question, probably the hon. member would drop the question. He does not seem to be in his place, but perhaps one of his colleagues would speak to him about it.

Mr. SPENCER: I shall draw it to his attention.

Question stands.

HOUSE OF COMMONS—SELECT STANDING COMMITTEES

Mr. CASGRAIN:

1. Who were the chairman of the various select standing committees of the House of Commons for the sessions of 1927, 1928, 1929, and 1930?

2. Who are the chairman of the select standing committees of the House of Commons for the session of 1931?

Mr. BENNETT:

Select Standing Committees	Chairmen				
	1927	1928	1929	1930	1931
Privileges and Elections	J. J. Denis	J. J. Denis	J. J. Denis	G. W. McPhee	R. B. Hanson.
Railways, Canals & Tel. Lines	F. S. Cahill	F. S. Cahill	F. S. Cahill	F. S. Cahill	J. H. Harris.
Miscellaneous Private Bills	Geo. Parent	Geo. Parent	Geo. Parent	Geo. Parent	T. H. Stinson.
Standing Orders	L. S. R. Morin	L. S. R. Morin	L. S. R. Morin	L. S. R. Morin	A. U. G. Bury.
On Printing	Chas. Marcil	Chas. Marcil	Chas. Marcil	Chas. Marcil	W. C. S. McLure.
Public Accounts	S. W. Jacobs	S. W. Jacobs	S. W. Jacobs	S. W. Jacobs	O. Gagnon.
Banking and Commerce	F. W. Hay	F. W. Hay	F. W. Hay	F. W. Hay	R. C. Matthews.
Agriculture and Colonization	W. F. Kay	W. F. Kay	W. F. Kay	W. F. Kay	M. C. Senn.
Marine and Fisheries	Wm. Duff	Wm. Duff	Wm. Duff	Wm. Duff	W. G. Ernst.
Mines, Forests and Waters	E. A. Lapierre	E. A. Lapierre	E. A. Lapierre	E. A. Lapierre	J. L. Bowman.
Industrial and International relations	C. R. McIntosh	C. R. McIntosh	C. R. McIntosh	C. R. McIntosh	F. W. Turnbull.
On Debates	E. J. Young	E. J. Young	E. J. Young	E. J. Young	W. K. Esling.
Railways and Shipping	W. T. Goodison	W. T. Goodison	Sir E. Fiset	Sir E. Fiset	
The Library	Hon. R. Lemieux.	Hon. R. Lemieux.	Hon. R. Lemieux.	Hon. R. Lemieux.	Hon. Geo. Black.
The Restaurant	Hon. R. Lemieux.	Hon. R. Lemieux.	Hon. R. Lemieux.	Hon. R. Lemieux.	Hon. Geo. Black.

CANADIAN NATIONAL STEAMSHIPS

Mr. NICHOLSON:

In the 12th annual report, Canadian National Steamships, dated March 25, 1931, at page 7, there is shown in the capital liabilities, 6,609 issued shares of $100 each; also at page 19 of the same report covering Canadian National West Indies Steamships Limited, there is shown capital stock authorized and issued, 400 shares at $100 each.

Have these shares been sold to the public or are they held by: (a) the Canadian government; (b) the Canadian National Railway Company?

Mr. MANION:

On page 7 of the annual report of the Canadian National Steamships (Canadian Government Merchant Marine Limited) 12th annual report, the capital stock outstanding is shown as 3,013 shares, 3,000 of which are held by the Minister of Finance on behalf of the Canadian government and the balance, namely, 13 shares, representing directors' qualifying shares, are held by the Canadian National Railway Company. The difference between 6,609 and the 3,013 shares is represented by 3,596 shares which have been cancelled, as shown on page 7 of the said report.

The 400 shares of the Canadian National (West Indies) Steamships Limited, shown as issued on page 19 of the same annual report, are held by the Minister of Finance on behalf of the Canadian government.

PAYMENTS TO COKING PLANTS

Mr. CANTLEY:

What amounts were claimed by and paid to coking plants during the years 1928, 1929 and 1930 under the provisions of the Domestic Fuel Act, chapter 52 (1927)?

Mr. GORDON:

Calendar years	Amounts claimed	Amounts paid
1928	nil	nil
1929	$6,202 61	nil
1930	5,050 00	$6,202 61

Payment has not yet been made of the amount of $5,050 recommended for the year 1930.

EXPERIMENTAL SHIPMENTS OF CATTLE

Mr. DONNELLY:

1. At what time last fall was the experimental shipment of cattle to Great Britain made by the Canadian Department of Agriculture?
2. Were there prior shipments in 1930 to this experimental one made by Canadian live stock cooperatives or other shippers?

Mr. WEIR (Melfort):

1. November 1, 1930.
2. Yes.

STOCKER AND FEEDER CATTLE SHIPMENTS

Mr. DONNELLY:

1. When was the embargo against Canadian stocker and feeder cattle removed by the British government?
2. When did the shipments of Canadian stockers and feeders begin thereafter?
3. By whom was the first shipment of stockers and feeders made, and by whom was such shipment supervised on arrival abroad?
4. How many cattle were shipped each year from Canada to Great Britain between the years 1923-1930 inclusive?

Mr. WEIR (Melfort):

1. April 1, 1923.
2. March 20, 1923.
3. Harris Abattoir for self; H. P. Kennedy Co. for United Grain Growers. Supervised on arrival by Hon. Duncan Marshall.
4. Canadian cattle exports to Great Britain, 1923-1930 inclusive:

1923	57,672
1924	79,435
1925	110,868
1926	79,985
1927	8,263
1928	405
1929	nil
1930	5,400

TRENT CANAL EMPLOYEES

Mr. BOUCHARD:

1. Were two carpenters employed on the Trent canal at Peterborough in the fall and winter of 1930 and two ex-service carpenters with families dependent on them, dismissed, to make way for the men recommended?
2. Are the two carpenters who have not seen war service still employed on the Trent canal staff at Peterborough?
3. Are the ex-service carpenters who were dismissed, still out of work and obtaining unemployment relief?
4. Upon whose recommendation were the two ex-service carpenters dismissed?
5. Upon whose recommendation were the two carpenters without service engaged?

Mr. MANION:

1. No carpenters were dismissed to make way for men recommended. Last fall eight extra carpenters were employed for special jobs:—Building cribs, work since completed; building dredge hull, work since completed; building scow, work about completed; placing two new guard gates, work since completed; repairs to two houses, work since completed. Five of the eight carpenters were returned soldiers. One of the civilians was the captain of one of our dredges who was employed at a near equivalent of his summer rate. He was entitled to half pay during winter but preferred working to lying idle, consequently a saving of $68.35 per month was affected by his employment.

Another of the civilians employed on the guard gates, was employed in the winter of 1929-30 at the same class of work and was re-employed, with the consent of the local member, to take charge of similar work because of his experience.

The other civilian employed on building the dredge hull was the only experienced ship carpenter known in Peterborough and was employed on that account.

As these works were completed or neared completion the service of so many carpenters were not required.

2. Carpenters now employed at Peterborough:—

Regular staff

1 Carpenter foreman ship construction, civilian; 1 carpenter ship construction, civilian.

Special staff

1 Carpenter, returned soldier; 1 carpenter foreman, civilian. Consequently, of the special men employed last fall, one returned soldier and one civilian remain employed until work in hand is completed.

3. No ex-service carpenters dismissed. Cannot answer as to unemployment relief. Their employment throughout the winter by the department would hardly justify such application.

4. No ex-service carpenters dismissed.

5. All carpenters employed on recommendation of local member.

ALWICK RESERVE INDIAN AGENT

Mr. FRASER (Northumberland):

1. Has the Indian agent at the Alwick reserve in Northumberland county been dismissed?
2. If so, when, and for what reasons?

Mr. MURPHY:

1. No.
2. Answered by No. 1.

CATTLE SHIPMENT TO GREAT BRITAIN

Mr. SWANSTON:

1. What number of cattle were shipped to Great Britain from Canada in 1928, and on what dates?
2. What number of cattle were shipped to Great Britain from Canada in 1929, and on what dates?
3. What was the date of first shipment of cattle to Great Britain from Canada in 1930?
4. What was the total number of cattle shipped in 1930?
5. What number of cattle were shipped to date in 1931?

Mr. CAHAN:

1. June 14th, 304; July 6th, 101. Total, 405.
2. None.
3. August 20th, 1930.
4. 5,400.
5. 2,587.

PURCHASE OF OTTAWA PROPERTIES

Mr. SPENCER:

1. What amount of money was paid by the government of Canada for the following individual properties in the city of Ottawa: Russell Hotel Company, the Egan Estate, W. J. Irvine, Ottawa Electric Company, the Bangs Estate and the Matthewman Estate?
2. What money, if any, was paid in each case for the realty, or for the disturbance of business?

Mr. CAHAN:

1 and 2. (a) Amount paid by the Federal District Commission for purchase of properties contained in the Russell House block.

Properties—		
Russell House and theatre:		
Paid as per agreement dated July 5, 1928	$1,125,000 00	
Interest	27,140 88	
		$1,152,140 88
C. Mitchell Estate:		
Paid as per agreement dated June 20, 1928	75,000 00	
Interest	1,478 40	
		76,478 40
D. J. McDougal Estate:		
Paid as per agreement dated June 15, 1928	22,000 00	
Interest	1,759 87	
		23,759 87
		$1,252,379 15
Compensation—		
A. J. Ladas:		
Paid	18,000 00	
Less—held for demolition contractors in settlement of claim for Ladas having taken fixtures from building	100 00	
	17,900 00	
Interest	551 86	
	18,451 86	
I. L. Cohen, tenant	220 00	
		18,671 86
Valuation expenses		14,425 00
Legal expenses		9,887 87
Taxes		10,806 07
Sundry expenses		1,322 96
		$1,307,492 91
Less—Receipts from insurance policy in adjustment re fire		13,498 90
Net cost		$1,293,994 01

1. (b) Egan Estate, $250,000; (c) W. J. Irvine, $68,753.63; (d) Ottawa Electric Company, $209,153; (e) Bangs Estate, $325,344.03; (f) Matthewman Estate, $215,710.32.

2. (b) to (f) No separate amount was paid to any of the above owners for disturbance of business.

CANADIAN NATIONAL RAILWAYS—ACQUISITION OF GRAND TRUNK PACIFIC RAILWAY COMPANY SECURITIES

Mr. NICHOLSON:

In the Drayton-Acworth report, sessional papers, 1917, volume 12, at page 25 there is set out a list of securities of the Grand Trunk Pacific Railway Company, guaranteed by the Grand Trunk Railway Company but not guaranteed by the government of Canada. The list is as follows:—

Per cent		
4	Series A prairie division	$10,206,000
4	Series 4 mountain division	9,963,000
4	Lake Superior division	7,533,000
4	Perpetual debentures	34,879,252
5	Secured notes, secured by pledges of 4 per cent debentures	9,720,000
	Total	$72,301,252

1. Has the Canadian National Railway assumed responsibility for principal and interest on any or all of these securities?

2. (a) At what date and under what statutory or other authority was such responsibility accepted; (b) under what terms and in what amount in relation to each issue?

3. Do these securities form part of the long-term funded debt as set out at page 15 of the Canadian National Railways balance sheet for 1930?

4. By what net amount do these securities increase such a long-term funded debt?

5. Is it the intention of the executive of the Canadian National Railways to accept responsibility for whatever portion of such securities as are still outstanding?

Mr. MANION:

1. It has as to the first three amounts mentioned. The Grand Trunk Railway Company of Canada guaranteed the interest on the fourth item to the extent only that the gross earnings of the Grand Trunk Railway should show a surplus available for the purpose after deducting certain preferential payments, such as all working expenses of the Grand Trunk Railway Company of Canada, all interest and other moneys payable by said Grand Trunk Railway on their loan capital, bonds or liabilities. These debentures were exchanged in 1927 for Canadian National Railway Company 2 per cent debenture stock guaranteed by the Dominion of Canada.

The $9,720,000 of 5 per cent secured notes matured on March 2nd, 1921, and were retired from advances made by the Dominion government under vote 126, 1921.

2. (a) The Canadian National Railway Company are successors by amalgamation to the Grand Trunk Railway Company of Canada and under such amalgamation they assumed all of the liabilities and obligations of the Grand Trunk Railway Company of Canada. The amalgamation was made under agreement dated January 30, 1923, which agreement was confirmed by order in council P.C. 181, dated January 30, 1923. The authority for assuming the liabilities and obligations was by virtue of the said agreement which was made in accordance with and subject to the provisions of sections 152 and 153 of The Railway Act, 1919.

(b) Answered by Nos. 1 and 2 (a).

3. Yes, with the exception of the 5 per cent notes in the amount of $9,720,000 which were redeemed in 1921. The amount of the 4 per cent perpetual debentures, now the 2 per cent guaranteed debenture stock, has, however, been reduced to $30,559,114, as shown on page 28 of the annual report, this reduction being made by means of a sinking fund as provided for under an agreement with the debenture holders at the time these securities were exchanged.

4. The amount of these securities that are now in the hands of the public is $58,261,114, and same is included in the total amount of long-term funded debt as shown on page 15 of the annual report.

5. The Canadian National Railway Company, as stated in answer to question 2 (a), are responsible for the liabilities and obligations of the former Grand Trunk Railway Company of Canada.

TRENT CANAL EMPLOYEES

Mr. BOUCHARD:

1. Did Superintendent Killaly ascertain that the ex-service men, who were not reengaged in seasonable employment in 1931 on the Trent canal, were inefficient, if so, when?

2. When did he notify these men that they were inefficient?

3. When did he report them as inefficient?

4. In what way were they inefficient?

Mr. MANION:

1. Yes. In that connection Superintendent Killaly reports: "Services of men not reemployed were known to be unsatisfactory for some years. The fact that they were returned soldiers created sympathy for them resulting in their being retained. They have been reasoned with, appealed to, ordered and threatened with dismissal by myself and other officials on many occasions but all to no effect."

2. On many occasions in past years.

3. Not required to report unsatisfactory service of labourers to department.

4. Did not give reasonable service. Loafing until superior officer appeared on work.

FEDERAL LEGAL STAFF IN BRITISH COLUMBIA

Mr. REID:

1. What are the names of the lawyers retained by the Department of Justice or any other department of the government since September of last year, having their offices in the city of Vancouver and the federal district of New Westminster, up to the present time?

2. What amounts have been paid for such services, and to whom were said amounts paid?

3. Were all legal accounts properly taxed and by whom?

4. What amounts are still owing to these lawyers?

Mr. GUTHRIE:

1. A. Alexander, Vancouver, B.C.; C. G. Beeston, Vancouver, B.C.; Burns & Walkem, Vancouver, B.C.; Burton & Hodgson, Vancouver, B.C.; Collins & Green, Vancouver, B.C.; Cowan & Cowan, Vancouver, B.C.; Craig, Ladner & Co., Vancouver, B.C.; E. P. Davis, Vancouver, B.C.; W. S. Deacon, Vancouver, B.C.; L. C. Ford, Vancouver, B.C.; A. M. Harper, Vancouver, B.C.; Harris, Bull & Mason, Vancouver, B.C.; R. Rowe Holland, Vancouver, B.C.; R. S. Lennie, Vancouver, B.C.; Lucas & Lucas, Vancouver, B.C.; McNeill, Pratt & Co., Vancouver, B.C.; McPhillips, Duncan & McPhillips, Vancouver, B.C.; W. G. McQuarrie, Vancouver, B.C.; R. L. Maitland, Vancouver, B.C.; A. H. MacNeill, Vancouver, B.C.; C. M. O'Brian, Vancouver, B.C.; P. E. Pierce, Vancouver, B.C.; Reid, Wallbridge & Gibson, Vancouver, B.C.; T. Todrick, Vancouver, B.C.; Charles White, Vancouver, B.C.; Whiteside, Wilson & White, Vancouver, B.C.; A. D. Wilson, Vancouver, B.C.; W. G. McQuarrie, New Westminster.

2, 3 and 4. Payments are made by the various departments concerned after taxation by the Department of Justice.

HON. RODOLPHE LEMIEUX

Mr. LAFLECHE:

1. Was the Honourable Rodolphe Lemieux, during his term of office as Speaker, authorized to use the automobile belonging to the state for the use of his family?

2. Was he authorized to employ a chauffeur paid by the state?

3. Were the servants of his private dwelling paid by the state?

4. If so, what amount was paid to them?

Mr. BENNETT:

1. No. Mr. Lemieux used an automobile which he purchased himself.

2. Yes. A member of the House of Commons staff acted as his chauffeur when required.

3. Yes.

4. $33,430.18 during Mr. Lemieux' term of office, 8½ years.

BULL LOANING POLICY

Mr. BUCKLEY:

1. How many applications in respect of the bull loaning policy of the Live Stock branch of the Department of Agriculture have been received by the department, and from whom?

2. What are the names and addresses of the parties whose applications were accepted?

3. What are the names and addresses of the parties whose applications were not accepted?

4. Why were said applications not acceptable to the department?

5. Will the department accept applications now, and if not, why not?

Mr. WEIR (Melfort): With regard to the fourth question, it would take weeks to prepare the answer. If there is any special information which the hon. gentleman requires in that connection I shall be very glad to get it for him, but the department would like to be relieved of giving a full answer to this question on account of the labour involved; and only for that reason. I would ask that the question stand as an order for return.

Mr. BUCKLEY: That will be quite acceptable.

Mr. SPEAKER: Stand as an order for return.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COMPENSATION FOR SLAUGHTERED CATTLE

Mr. TETRAULT:

1. Have indemnities been paid by the federal government for slaughtered animals in the province of Quebec under the system of accredited herds since 1920, inclusive?

2. How many animals were slaughtered under the accredited herd scheme, by counties, and what is the amount of indemnities paid in each county?

3. How many head of cattle have been slaughtered in the province of Quebec, under the supervision of the federal government, without indemnities being paid, and how many in each county?

4. How many of said animals were aged one year and over?

ACCREDITED HERD SCHEME

Mr. TETRAULT:

1. Were animals, in the province of Quebec, tested and slaughtered under the supervision of the federal government, since the establishment of the accredited herd scheme, without any indemnity being paid?

2. If so, how many in each county?

3. What ages were the said animals?

TESTING OF CATTLE

Mr. TETRAULT:

1. Does the federal government make free tests, without indemnity, of herds outside of reserve zone and not entered under the accredited herd scheme?
2. If so, since what date?
3. How many farmers in the province of Quebec have taken advantage of said tests during the years 1929 and 1930?
4. How many of said farmers have applied to date and are waiting test?
5. What are the details by counties?

BULL LOANING POLICY

Mr. McMILLAN (Huron):

1. How many bulls have been bought for distribution under the bull loaning policy of the Minister of Agriculture between the first day of September, 1930, and the 15th day of May, 1931?
2. From whom were these bulls purchased?
3. What were the individual prices paid?
4. What were the breeds of the bulls purchased?
5. Where and in whose keeping have these bulls been placed?

HUDSON BAY INSURANCE RATES

On the orders of the day.

Mr. B. M. STITT (Nelson): May I be permitted to ask the Minister of Railways and Canals (Mr. Manion) whether or not he has a statement to make to the house with regard to his efforts to secure fair and equitable marine insurance rates for the port of Churchill, Manitoba.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, as the hon. member implied, the department has been working on this question for a long time—in fact ever since we came into power. However this is a question beyond the control of the department. Insurance rates are largely within the control of the imperial shipping committee which the other day gave out a ruling. I must confess that the ruling is rather indicative of high rates from Churchill. May I add that we are working on the matter and shall continue to do so in an endeavour to secure a more suitable rate.

INTERNATIONAL LABOUR CONFERENCE

On the orders of the day.

Hon. ERNEST LAPOINTE (Quebec East): May I ask the Minister of Immigration (Mr. Gorlon), who is acting for the Minister of Labour (Senator Robertson), for some information? He promised to give me information as to who will be the delegates and advisers of Canada at the International Labour conference to be held this month.

[Mr. Tetrault.]

Hon. W. A. GORDON (Minister of Immigration): Mr. Speaker, the delegates to the International Labour conference of the League of Nations will be H. W. Macdonnell, secretary of the industrial relations committee of the Canadian Manufacturers Association; Mr. P. M. Draper, secretary-treasurer of the Trades and Labour Congress of Canada, as delegate appointed by the Trades and Labour Congress. There will be the Hon. G. Howard Ferguson, High Commissioner for Canada in London and Doctor W. A. Riddell, Canadian advisory officer of the League of Nations at Geneva. There will be no advisers to the representatives.

Mr. LAPOINTE: In view of that answer may I say that when an opportunity presents itself I shall take occasion to protest against that representation.

DOMINION CENSUS

PREFERENCE GIVEN TO RETURNED MEN AS ENUMERATORS

On the orders of the day.

Hon. CHARLES MARCIL (Bonaventure): I would like to ask the Minister of Trade and Commerce (Mr. Stevens) if any instructions have been issued to the census commissioners to employ returned soldiers where possible?

Hon. H. H. STEVENS (Minister of Trade and Commerce): Such instructions were originally given and were reiterated recently.

Mr. C. G. POWER (Quebec South): But those instructions were not carried out.

Mr. MARCIL: I have a letter from a returned soldier in the province of Quebec. This gentleman is the father of a family of several children, but his application has been rejected.

Mr. STEVENS: I would like to receive further information in that connection.

Mr. CASGRAIN: Probably he is not a Tory.

Mr. STEVENS: I am afraid the hon. member has an evil mind.

SUPPLY—GRAIN RATES

AMENDMENT TO MOTION OF MINISTER OF FINANCE

The house resumed from Wednesday, May 20, consideration of the motion of Mr. Bennett for committee of supply and the proposed amendment thereto of Mr. Reid.

Mr. ERRICK F. WILLIS (Souris): Mr. Speaker, the debate on the amendment to

go into supply has furnished the house with many important facts regarding freight rates in western Canada. In particular I wish to congratulate the hon. member for Macdonald (Mr. Weir) upon placing on Hansard various freight schedules. It seems to me however that as the matter is now under appeal to the privy council, and as the Prime Minister has agreed that he will press the appeal as early as possible, the hon. member who has moved the amendment should withdraw it. I say the amendment should be withdrawn because it is of vital importance that this problem should not become a political football. Like other western members of the house I am interested in securing lower freight rates for western Canada. At the same time however I am also interested in securing a market for western barley. It is because of my interest in the market for barley that I have risen to my feet at this time. During the debate the statement has been made that the poultry men of British Columbia cannot use western barley because of the prohibitive freight rates. I say that such is not the case, nor is it the real reason. I make that statement because I have under my hand statistics to show that in the Fraser valley of British Columbia and in Vancouver barley can be purchased more cheaply than corn. Of course, in addition, those rates also apply to wheat. I say that the poultry men of British Columbia still have an opportunity of feeding barley instead of corn. The figures in this connection are these:

Prices of barley and corn for domestic use, Vancouver, May 18, 1931

Barley, No. 3 C.W., bulk, Vancouver and Fraser valley points, $20 per ton.

Corn, Argentine (No. 2 or better), bulk carlots, Vancouver, $25 per ton; Fraser valley points, $27 per ton.

Corn, American, quotations delivery 10 days, Vancouver and Fraser valley points, $26 per ton.

These figures show that wherever corn is being fed in the province of British Columbia the poultry men of that province could save 20 per cent of their cost by feeding barley.

An hon. MEMBER: The hens will not eat barley.

Mr. WILLIS: An hon. member has interrupted me by saying that the hens will not eat barley. The answer to that statement is that the agricultural experts of Canada are either experts or they are not. Through these experts experiments have been made in the provincial agricultural colleges of Canada, and through the Department of Agriculture for the Dominion which show that the two grains are practically interchangeable. That is to say, for poultry purposes barley may be fed as well as corn. I say these men either are experts or they are not. Their judgment should be accepted or they should no longer be classed as experts of the Department of Agriculture. The argument may be used that the barley which is available in British Columbia is the product of that province. Such is not the case. In the year 1930 the province of British Columbia produced only 295,000 bushels of barley. In the province there are 22,800 farms whereon among other things 64,700 swine are being fed. Hon. members will readily see that the supply of barley would last for only a few days. I am informed by the agent of the Dominion seed branch at Vancouver that the barley available in British Columbia is practically all western barley. Again, the seed branch of the Department of Agriculture is right or it is wrong. I say that the correct reason as to why the British Columbia poultrymen are not feeding western barley has not been given. If hon. members wished to go further in the matter of poultry feeding they might turn to pamphlet No. 128, new series, Department of Agriculture, which gives the general conclusion that barley is interchangeable with corn. The statement has been made also that eastern Canada cannot feed barley because it is too dirty. May I bring to the attention of hon. members the fact that in Toronto the spread in price between barley and corn is 25 cents, and there are at the lake head at the present time 8,000,000 bushels of barley. If barley is dirty it can be cleaned for about 2 cents a bushel. It is available in Toronto for the use of poultrymen, swine feeders and live stock feeders at a saving of 23 cents a bushel as against corn. That is the saving which could be made by feeding barley instead of corn. During the last year there were brought into British Columbia 520,000 bushels of corn, the large part of which was fed to poultry. In my opinion by a tariff that corn should be made less available, and then they would have to feed western barley. The real reason behind the fact that the poultrymen of British Columbia do not feed barley is not a question of freight rates; the true reason is that these men who feed corn will not change the diet of their pet hens. If we are going to work together in this country they must feed barley. The reason they are not doing so at this time is that they do not agree with conclusions arrived at by the Department of Agriculture. They do not believe the experts in that department, those experts who in the past have done so much to help them. That is the real reason, and I

say the time has arrived when the poultrymen of this country must come to the point of view of considering those Canadians in the middle west who are trying to make a livelihood by raising barley, rather than considering the dietetic eccentricities of any hen that ever laid eggs.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, yesterday the hon. member for East Algoma (Mr. Nicholson) made some statements with regard to export freight rates that I do not care to let go unchallenged. The hon. member expressed the opinion that export rates were, in effect, subsidized rates, that domestic business had to carry the whole burden not only of its own logical rates but the loss on export business. If this were so of course it would mean that the country as a whole is subsidizing export business. I do not agree with that view. It may be true of some commodity rates, but with respect to the particular rates that are under consideration—grain rates—I submit that the figures certainly prove the very opposite. I do not blame the hon. member or anyone else for holding such views, because the railway officials have for years past spent a great deal of time getting out propaganda to convince people that some of these commodity rates, such as the Crowsnest pass rates on grain, were a loss to the railway company. For instance, when testifying before the special railways committee in 1922, Mr. Beatty, of the Canadian Pacific Railway, predicted that if the Crowsnest pass rates were permitted to come into effect that year it would mean the Canadian Pacific Railway would fall short by $15,000,000 of paying its fixed charges and dividends. But what was the actual result? The Crowsnest pass rates did come into effect that year, and we find that the Canadian Pacific Railway, instead of being in the financial position predicted by Mr. Beatty, not only paid its fixed charges and dividends, but had a larger surplus than it had the previous year. Mr. D. B. Hanna, testifying for the Canadian National Railways, made a similar statement, and predicted that the operating deficit on the Canadian National system that year would be not less than $26,000,000.

Mr. McGIBBON: Was that with respect to the whole system or just the western part?

Mr. CAMPBELL: The whole system. Of course, that was only the predicted operating deficit; he did not take into account the fixed charges. I find that that year, instead of the deficit being, as he predicted, $26,000,000, it was considerably less than in the previous year $15,000,000.

[Mr. Willis.]

In this connection I might quote some figures published by the Canadian Pacific Railway with regard to their net earnings, which would seem to disprove the statement that the Crowsnest pass rates are losing rates to the railways. Let me take first the figures for 1924. In the first four months of that year, January, February, March and April, the net earnings on the Canadian Pacific system were a little over $5,000,000; for the second four months they rose to $9,000,000. Now, in those eight months there is a minimum of grain handled. But take the last four months, that is, September, October, November and December, the months in which the great bulk of the grain crop is handled, the months in which grain as a commodity furnishes a very much heavier percentage of the total traffic than it does in the other months of the year, and we find that for those four months the net earnings rose to the huge total of $22,000,000. Taking 1925, the net earnings for the first four months were $4,980,000; for the second four months $10,000,000; for the third four months —the very period in which according to the predictions made by these railway officials they ought to have had a heavy loss, the net earnings showed the enormous total of $26,000,000. Surely, sir, if these figures mean anything at all they mean that the grain crop handled under the Crowsnest pass rate is a profitable commodity to the railway. In 1923 I find that the total net earnings of the Canadian Pacific Railway were $23,000,000, but the last four months accounted for $20,000,000 of the total, that is, the greater proportion was earned in the last four months. The Canadian National Railways show figures very similar. For 1924 the net revenue was $11,197,000, and almost all of this was earned in the four months in which grain was the largest part of the traffic.

Now let me take the operating ratio of the Canadian Pacific Railway. The operating ratio, I may explain, is the number of cents that a railway must spend to earn a dollar. In 1921, the last year in which the old grain rates were in effect, the operating ratio was 82.28; that is, the Canadian Pacific Railway had to spend 82.28 cents to earn a dollar. In 1922, the year that the Crowsnest pass rates came into effect, and the year in which Mr. Beatty had predicted the enormous loss to which I have referred, the operating ratio dropped to 80.55 cents; that is, it cost the Canadian Pacific Railway less to earn a dollar that year than it did in the preceding year.

In testifying before this same committee in 1922, Mr. D. B. Hanna stated that the

Canadian Northern Railway had always paid its way when it was operated as a western railway, and 1915, the year it was linked up with the eastern section, was the first year it has shown a loss. On the western section of the railway grain is by far the largest part of the traffic, and naturally if grain was handled at a loss the figures would be altogether different.

Let me take some further Canadian Pacific Railway figures as published by the company. These show that for the five-year period, from 1907 to 1911 inclusive, the system produced net earnings on the eastern section of $44,500,000, and on the western section $91,500,000. In the next five year period, 1912 to 1916 inclusive, the eastern section showed net earnings of $70,000,000 while the western section showed net earnings of $144,000,000. This again would certainly seem to indicate that grain is not handled at a loss.

Now I am going to touch another angle of this question. It seems to me that the passenger service is one of the services of both railways on which there is a heavy loss, and this ought to be given more consideration than has been given to it up to the present time. It is difficult usually to secure figures of the relative passenger and freight earnings. It is only when a rate case is being heard by the railway commission or by the courts that the railway companies produce figures that throw some light on this particular question. In 1922 the Canadian National Railways and the Canadian Pacific Railway did produce such figures before the railway commission. Those figures showed that for that year the freight service on the Canadian National Railways produced a net operating surplus of $20,000,000, while the passenger service resulted in an operating deficit of $8,500,000. That is, the railway company had to dip into the money earned by the carriage of grain, cattle, coal, lumber and other commodities, and take out $8,500,000 to pay the loss on the passenger service. In the same year even the Canadian Pacific Railway, efficiently managed though it may be and built as one unit from the very beginning, operating under the most favourable conditions, showed an operating deficit on the passenger service. These figures do not take into account at all the enormous investment in the passenger equipment of both railways. If these figures could be secured, they would show an enormous loss on the part of the passenger services, and it seems to me something could be done and in fact something must be done to cut down the cost of passenger service. I know people will complain when a train service is reduced, but the time has come when they will have to be allowed to complain. I think the duplication between the two great roads is almost a national disgrace. We have luxurious trains going across this continent every day; there are two of them leaving Winnipeg almost at the same time, and between Ottawa, Toronto and Montreal we find a tremendous amount of unnecessary duplication. Go through those trains to-day and you will find that in many cases not more than twenty-five per cent of the space is occupied. It seems to me the time has come when the government will have to talk business not only with their own railway but to the Canadian Pacific Railway as well, and show them that there must be some reduction in the duplication of these services. In that way it seems to me some relief may be given in the matter of freight rates.

Let us consider the question of the Canadian National hotels, which are linked up with the passenger service. We are told it is necessary for the Canadian National Railways to spend millions of dollars in building hotels in order to hold the passenger service. If the passenger service is being carried on at a loss, why need we spend this money to bolster up that losing service? Look at the enormous amount of money which has been spent during the last few years by the Canadian National management. It is a national disgrace. Four million dollars was spent in Saskatoon, in my own province. Perhaps the hon. member for Saskatoon might not agree with me, but I say it was a totally unnecessary expenditure, even though it was spent in my own province. That is one of the things saddled on our freight service, with which we must deal one of these days in order properly to reduce freight rates.

But perhaps I am getting away from the subject matter of the resolution before the house. The question of the disparity between domestic and export freight rates on grain is one that is exercising public opinion to a great extent in western Canada to-day, and it should be exercising opinion in eastern Canada as well, because after all the eastern farmer is paying the bill. While we are losing our market for a large quantity of our coarse grains, the eastern farmer is paying very much more than he should pay for his hog feed and chicken feed. There have been so many figures placed on the record during this debate already that I do not propose to cover the ground again, but I will just quote a few figures to show the extent to which this disparity exists. The freight rate from Saskatoon to Liverpool to-day is about 62 cents per hundredweight on grain, while from Saska-

toon to Sherbrooke, Quebec, it is 70½ cents. From Saskatoon to Truro, Nova Scotia, the rate is 74 cents; to Guelph, Ontario, it is 65½ cents. Now take the figures via Vancouver. From Saskatoon to Liverpool via Vancouver and the Panama canal the average rate is 57 cents, but the export part of that rail rate is only 24 cents, whereas to ship grain to Langley, British Columbia, just a few miles from Vancouver, costs 50½ cents.

This is a matter which, it seems to me, must engage the attention of parliament to some extent. Of course since it is now sub judice, so to speak, perhaps we are not in a position to deal with it here, but I do believe the debate has served a useful purpose in giving to the public information which they should have in connection with this all-important question.

Mr. THOMAS REID (New Westminster): Mr. Speaker, in view of the fact that the Prime Minister has pointed out that if I press the question to a vote it will defeat my object; in view of the fact that he has given the assurance that he is seized of the importance of the matter, and that as soon as possible it will receive attention, I ask permission of the house to withdraw the amendment. In doing so I assure hon. members that I brought this matter before the house in the utmost sincerity on behalf of the farmers of British Columbia.

Mr. SPEAKER: By unanimous consent leave is granted and the amendment is withdrawn.

Amendment withdrawn.

SUPPLY—DEPARTMENT OF MARINE

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I presume I will be in order now in discussing the main motion. As we are going into supply to discuss, among other things, the estimates of the Department of Marine, I wish to draw the attention of the house and the government to a matter of importance. I am sorry the Prime Minister is not in his place, because it was to him I particularly wished to address myself in pointing out the extent to which this department is lending itself to political jobbery.

I am not introducing an amendment to the resolution, expressing want of confidence in the government for the reason that this is largely a matter for the Prime Minister. He cannot be aware of the circumstances which I am going to mention. If after having heard them he takes appropriate action to cause justice to be done, then he is not deserving of a vote of want of confidence but rather a vote of confidence. If on the other hand he ignores the situation and, by clever jugglery of words and phrases, proceeds to minimize it and to support the department in its action, then a vote of want of confidence which would be rejected by a majority of thirty would not particularly affect the situation. I would rather leave it in that way, in his hands, and if he does not see that the justice is done which the conditions as I will represent them, warrant, then the censure of his action will be rather in the form of loss of esteem by the people of Canada generally.

In an ordinary way I would say that the minister in charge of the department could not be held blameworthy, but in one of these cases to which I will more particularly refer, he is unmistakably to blame, because I informed him in writing of the whole circumstances and he never answered my letter, which was written more than a month ago. So far as I know he has done nothing to remedy the situation. I have not attempted to make political capital out of this matter, as I think will be proved by the correspondence I will presently read; all I ask is that justice be done. As I say, under ordinary conditions, I would not be prepared to blame the minister; he is new to his position and it is generally admitted that he is in charge of a somewhat weak department. I am not here to take advantage of my parliamentary immunity to slander men in any branch of the service, and I want to say emphatically that there are very many good men in that department who would be only too willing to make a success of their branches and bring the whole department to a creditable standard if they received the least encouragement, or if they even received permission, but it is a well known fact that for years the department has been run under a formula something like this: Change nothing; do nothing; stand still. Ignore the fact that Canada is growing, with ever increasing requirements of service, and above all block anything that savours of progress or of improvement.

That sounds like a strong statement; I wish I had more time and I would demonstrate it to the fullest degree. Take the case the other day, when the hon. member for Vancouver South (Mr. MacInnis) introduced a bill to amend a few of what he considered the grosser errors in the Canada Shipping Act. I see that the Province somewhat misquoted me by saying that I had expressed the opinion that the bill was obsolete. I was not referring to the hon. member's bill but to the whole act, and I might have added at the same time, with a

good deal of truth, that the whole department was obsolete. I am aware that the negotiations that have been going on in Britain for some time past—for the past two or three years or, at the outside, four—have somewhat precluded the idea of our revising the Canada Shipping Act at the present time. But that has been a matter of only two or three years. The fact is that the act has been rotten and obsolete for twenty years, yes, and thirty years. In 1908 or possibly 1911, I am not sure which, but over twenty years ago, somebody woke up in the department and drew up a complete revision of the act, and at that time, I believe, it was a wise and suitable one. I never heard any strenuous objections made to it. But they never got any further than that. That effort cost them so much exertion that they stood pat; and if any member came into the house full of fresh energy, and filled with a consciousness of the absurdity of our shipping act, and asked that action be taken, then the bill would be brought down from the shelf and dusted off, and they would show it as a proof of what they were prepared to do. Yes, they were prepared to do something. But the trouble is they never did anything. There was always some excuse: this man or the other was sick. It was always a case of "manana," as the Mexicans say. Literally it means "to-morrow", but the idiomatic significance of the word is that there are a whole lot of to-morrows—why, therefore, bother about to-day. Well, that is the spirit in which the act has been regarded during the last twenty years, and, as I say, it is still produced to-day to show what the department is prepared to do.

I can give many instances, much nearer the present time than that, to show where there have been neglect, evasion and failure to take action that has been vigorously called for. But what is the use of my wasting the limited time at my disposal? Those who have never had any business with the department are not interested, and to those who have had busines with them I do not need to state my case because my words find an echo in their own experience. It is possible that a strong, vigorous and determined man, taking hold of the department, might have reorganized it and made it a credit to the government of Canada. My hon. friend in charge of the department (Mr. Duranleau) sits opposite me, and, I admit, he presents all the appearances of having those characteristics of strength, vigour and determination. But unfortunately, so far as I have been able to find out, he has hitherto devoted all those energies only to making a strong, vigorous machine of his department, instead of making a strong and vigorous department.

I will cite three cases, the last the worst of them, and I could go on much longer if time permitted. The first is the case of a man named Beattie, who was on a seasonal patrol job on the west coast for three years. I have here certain letters with reference to the matter but I shall read only the pertinent portions of them, for there is no use going into a lot of preliminaries. In November last I wrote to the agent as follows:

> Beattie was on for three years running and did splendid work. Was on two years running at Pacheena. He is a returned man.
>
> He applied this season.
>
> Why was he rejected in favour of a non-returned man?

This is the reply I received:

> I regret that I am unable to reply to the query contained in this letter.

In desperation I then took the matter up with the minister himself, to whom I wrote:

> Dear Sir:
>
> A man named Beattie acted as patrolman on the west coast for three years running, and did very good work, which was admitted by all who came in contact with him. He is a returned man.
>
> He applied this season, as usual, and was rejected in favour of a non-returned man. Beattie took no part whatever in politics.
>
> Why was the preference given to a non-returned man?

The reply I received from the minister three weeks later was as follows:

> Dear Mr. Neill:
>
> Replying to your letter of the 8th April re Beattie, patrolman, west coast trail, I would point out that these positions are purely of a temporary and seasonal character. They do not continue from year to year. Last winter the Comox-Alberni men were taken from Bamfield.

To deal for a moment with the expression "non-permanent." The positions are non-permanent in that the work lasts only three months each year. But these men are classified, according to the Civil Service Commission, as "permanent seasonal." They are put on year after year. There must be thousands of men in all the departments who maintain their positions year in and year out, doing work regularly, re-appointed in a seasonal capacity. They are in that sense temporary, but it is not the custom to change them every year. If, however, that is to be the practice, how can you expect good service from men who know that their only requisite for employment is to stand in with the political powers of the moment? They know they will be fired the moment their party goes out. How, therefore, can they take an interest

in their work? Indeed, they may be fired at the end of the next year, and I submit you cannot expect good work under those circumstances. No reference whatever is made to the fact that this man, a returned man, who had given three years of good and faithful service, particularly good service, was let out and his place taken by a non-soldier.

The next case is that of a man named Dean, from whom I have a letter and an affidavit. I will read the affidavit, which is explanatory.

Mr. DURANLEAU: What is the name?

Mr. NEILL: O. S. Dean. The affidavit reads:

I.. .. .. .

I received the following reply:

I beg to advise that it has now been ascertained—

After I stirred up the matter:

—that Evans is not a returned man. He was, however, properly recommended for the position and the appointment approved by the department.

Mr. HEAPS: Who recommended him?

Mr. NEILL: Ah! The next is a letter written a little later on by Mr. Martin-Cameron to myself, as follows:

I wrote to Mr. Graham (your late opponent), asked most politely if he would kindly explain how he came to recommend Evans when my application was in first and had three years' previous service besides being a returned man.

I said I felt that as he had offered himself as a candidate for parliament he would not deliberately act against one who had voted for him and also against the laws of the country unless he had some reason I could not fathom.

And later on in the letter he states:

If any person obtains money under false pretences I believe it is a criminal offence against the laws of the country, and this is what Evans or his friends have done, so that I shall be glad and much obliged if you will put my case as I state it before the proper minister at Ottawa. Unless the minister is prepared to compound a felony he has only one course open, that is to cancel Evans' appointment and appoint me in his place.

When Mr. Martin-Cameron states that he voted for Mr. Graham, there are three reasons for my believing that that is the truth. First of all, before the election he said to a friend of mine that he was going to vote against me; after the election he told me quite frankly that he had voted against me, and, furthermore, I know the man and I know his type, and when he says that he voted against me, I believe him. In fulfilment of the request contained in Mr. Martin-Cameron's letter, I took the matter up with the proper minister, as I was in duty bound to do. I wrote to the minister under date of April 15, as follows:

In October last there was a vacancy on the permanent crew of the Clayoquot life boat.

Tofino is the same place. The letter continues:

Mr. T. Martin-Cameron, a local resident, applied for the position in the regular way. He is a returned man, and had the further qualification of having acted on the winter crew of the life boat for three years. I may explain that a small crew is kept on the year round as permanent employees, and in the winter time four extra men are taken on as temporary.

On the recommendation of Mr. Thomas Graham, defeated government candidate, a man named V. Evans was appointed. He was represented as being a returned man.

Mr. V. Evans is not a returned man. Therefore, the position was obtained by misrepresentation and should be cancelled and a returned soldier, qualified by three years of experience, appointed in his place. Mr. Evans is probably still on probation.

These men are put on probation for six months and it would not be necessary to discharge this man, he could be told that he was not needed. My letter continues:

This is not a case of my trying to help a political supporter, because Mr. T. Martin-Cameron, I have every reason to believe, voted for my opponent; but it is a case of a qualified man wth years of experience, and a returned soldier, being turned down in favour of a man lacking these qualifications. I only ask that you should see justice done in the matter.

I was trying to shield the minister's reputation, and I put this matter up to him privately. I told him that if justice were done nothing would be heard of this matter. However, I did not receive an answer to that letter and, so far as I know, no action was taken. In due course I wrote to Mr. Martin-Cameron, as follows:

Rather than merely make political capital by explaining this matter in the house, which would not do you any particular good, I thought I would try to arrange it privately with the minister, and I wrote a letter to him, copy of which I enclose. You will see it is dated April 15th, and up to date I have received no answer. If that is to be the way, then the only alternative is to bring it up on the floor of the house and expose the deal, but if they would have agreed to do you justice I would not have said a word about it.

Mr. Martin-Cameron's reply reads as follows:

As you say, to have this matter brought up in the house might not do me personally any particular good, but I assure you my circumstances or feelings don't matter twopence as long as it helps in some way to stop or expose the political prostitution and abuse of patronage that seems so rampant in this province and possibly throughout the country.

Apparently he had written again to Mr. Graham, because he enclosed me a copy of the letter he received in reply. I would direct attention to one sentence in Mr. Graham's letter, reading as follows:

I see no reason why I should make any explanation re my actions.

That is the whole trouble with this system of political patronage—power without responsibility. Elections, yes and wars have been won on less popular slogans than that. What made the United States break away from the old country? It was taxation without representation, but is taxation without representation much worse than power without responsibility? I would not have dared to write such a letter to anyone because I am responsible to the people who sent me here. What happened in Comox-Alberni during the elections?

Did they elect two men, one to be a member and the other to be a tyrant; one man to represent them and the other to tyrannize over them? What is it but tyranny and oppression when the mass of the people have to be ordered and dictated to at the will of one man who acknowledges no responsibility and holds no mandate from the people whatever?

In another part of the district another instance occurred. A returned man, a Conservative all his life, had got a chance of getting a small job on relief work, but the secretary and the president of the local Conservative association laid their heads together and told the powers that be that this man was a Liberal, and one of the two recommended the other and he got the job. The returned man did not get it although he was a Conservative and was well known to be such when the matter was exposed. It is only an instance of the way these things are juggled with when you get power into the hands of irresponsible people, irresponsible in the sense of having no responsibility to the public. There is a body or party being got up in the province of British Columbia to try to do away with just such transactions. Among the evils of the party system which they list is this one:

> Appointments are not made by the heads of departments but by the patronage committee, a group of supporters who know of nothing and care for nothing but the services the applicant has rendered to the party.

One of the planks in their platform of reform reads as follows:

> To use every endeavour to destroy the party system for all time.

Then again we find the Province, a Conservative paper, saying editorially with reference to patronage:

> The public is ill served by such a system. There is no stability in it. A man who does not know from year to year whether he is to go on in his job or not, merely at the will of a change of government, cannot be a really good citizen. He becomes a time-server and a pusillanimous fellow of little worth.

That is from the Province, and I say more power to them. Some of our newspapers make a practice of publishing in their daily issues news that appeared in newspapers one hundred years ago, and by a curious coincidence, almost on the date that this transaction I have mentioned occurred, this excerpt from the Observer, of September 26, 1830, was reprinted. The Observer was a well-known British paper, and I commend this excerpt to the consideration of the house:

> The Duke of Newcastle has caused notices to be served on all his tenants who voted for Mr. Serjeant Wilde at the late Newark election—not only those who gave plumpers against him, but those who gave half a vote only to his nominee. The number of persons who will thus be turned out of their houses, many of them perhaps born in them, amount to fifty-one.

In those days it was open voting, and they knew how people voted. To-day it is only necessary to be a suspect. In those days they turned people out of their houses; to-day they turn them out of their jobs. Is there much difference? Have we advanced very much in the last hundred years, after all? That is the curse of our public service. Is the government big enough to end it or is it only going to make excuses and pass it on? A gentleman on the opposite side of the house the other day said that if the government did not do something that he wanted done in his district, they were writing his political epitaph. The idea struck me that a suitable epitaph under these circumstances would be something like this. I would not apply it to the government. I would not say that it was appropriate to the department or to the minister, or even to an individual, but I would suggest that it should be put upon the grave of political patronage. I would suggest a cross of brass, the most brazen of our metals, and this inscription, which I am quite sure would be welcomed by every well-thinking man and woman in Canada:

> If heaven is pleased when sinners cease to sin,
> If hell is pleased when rascals enter in,
> If earth is pleased of grafters to be rid,
> Then all, all are pleased, for—Patronage is dead.

So let it be.

SUPPLY—NEW BRUNSWICK—UNEMPLOYMENT RELIEF

Hon. P. J. VENIOT (Gloucester): There is something which I wish to draw to the attention of the house in connection with the expenditure of unemployment relief moneys in the province of New Brunswick. It will be remembered that last September I strongly opposed the placing under the supervision of provincial governments, especially the government of the province of New Brunswick, the expenditure of the unemployment relief grant that was voted at that session. I am not going to take up the time of the house to-day to repeat what I then said, but I wish to call attention of the hon. member who represents the Minister of Labour in this house to the manner in which this money has been spent in the province of New Brunswick under the supervision of the present provincial government.

I shall not enter into any details of the political discrimination that was exercised in certain counties of the province of New Brunswick, beyond pointing out one or two facts which I am in a position at any time to prove by the production of proper evidence. I wish, however, to call the attention of the house to an investigation that is now going on under a royal commission in the province of New Brunswick into the expenditure of provincial moneys under the Department of Public Works of the province. I refer more especially to the expenditure of moneys on roads and bridges. This investigation was asked for on the floor of the provincial legislature of New Brunswick last session, and a royal commissioner, the deputy attorney general, was appointed to investigate the charges. That investigation is now proceeding. Already five or six road supervisors have come before the commissioner and admitted their guilt in the padding of pay sheets. Some supervisors have admitted their guilt in that respect to the amount of thousands of dollars, others to lesser amounts. I find, Mr. Speaker, that of the five or six supervisors who have openly admitted their guilt, out of the sixteen or twenty who are to be brought before this royal commission, five are men who were employed as supervisors of roads to expend the money voted by this parliament for unemployment relief in the province of New Brunswick, under the supervision of the Department of Public Works of that province. The investigation that is now going on—I want to make this clear—does not touch the expenditure of the $20,000,000. It touches the expenditure of the revenues of the province on ordinary public works such as roads and bridges in the province of New Brunswick. But when I find that five or six supervisors have already admitted their guilt—

Mr. MacDONALD (Cape Breton): What have we got to do with that?

Mr. VENIOT: You have this to do with it. When I find that five or six supervisors who have already admitted their guilt before the royal commission now sitting in New Brunswick were the same men who were employed last fall and winter in supervising the expenditure of the moneys voted by this parliament for the relief of unemployment in New Brunswick, I think it is time that the Department of Labour took cognizance of the matter.

The other day I asked the hon. gentleman who represents the Minister of Labour whether the department received detailed accounts from the Department of Public Works of the province of New Brunswick. He replied that the department did not, that they received merely a certificate issued by the head of the department in the province, or by somebody connected with it, as to the proper expenditure of this money. If five or six supervisors have been guilty of padding pay sheets when they were spending the provincial moneys, there is every reason to suppose that they were equally guilty of padding pay sheets when they were expending money under the supervision of the provincial government, which had been voted by this parliament for the relief of unemployment in the province. However if that is not sufficient to stir the Department of Labour to demand an investigation into the doings of the Department of Public Works in the province of New Brunswick, I am going to cite still another instance. I have in my possession a certified copy of a statement showing expenditures made on a certain bridge in my own county called the Connell bridge. The bridge is twelve miles from my own residence. The bridge superintendent was a defeated candidate in the provincial elections which took place in the province of New Brunswick on June 19, 1930. I find by the pay sheet in my hand that the superintendent of bridges is given credit for ten hours work per day at the rate of 60 cents an hour, while the workmen under him were working only eight hours a day. If that is not padding a pay sheet, I want to know what it is. I have—

Mr. McDADE: Why does the hon. member not lay a charge?

Mr. VENIOT: I am laying a charge, right now. I am prepared to lay a charge and to put my seat up for it. I am laying the charge right now.

An hon. MEMBER: Let my hon. friend lay a charge.

Mr. VENIOT: I am laying a charge, right now. I am laying the charge that in this particular case the money expended by the Department of Public Works, of the province of New Brunswick, and money voted by this parliament, was not honestly expended.

An hon. MEMBER: Whom are you charging?

Mr. VENIOT: The superintendent of bridges, Mr. Theo. Hackey of Bathurst.

An hon. MEMBER: Whose appointee is he?

Mr. VENIOT: The appointee of the provincial government.

An hon. MEMBER: What has he to do with us?

Mr. VENIOT: He was appointed to spend your money; the money voted by this parliament.

Mr. CASGRAIN: He is a Tory.

Mr. VENIOT: I have objected to it. I have stated that the provincial government should not expend this money, because I have noticed the loose way in which the Department of Public Works of the province of New Brunswick has been administered.

An hon. MEMBER: What is the charge?

Mr. CASGRAIN: Hon. members opposite do not see anything wrong with it.

Mr. VENIOT: I do not wish to take up more time of the house.

Some hon. MEMBERS: Hear, hear.

Mr. VENIOT: I do wish, however, to give a further instance or two of the way in which money was expended, and these instances I can prove. One particular case refers to a certain man in the parish of St. André, in the county of Madawaska, who contracted to do some hauling of stone given by him free providing he would be paid for the hauling. His offer was accepted. After he had started work it was learned he had not voted the right way in the provincial election, and the supervisor in charge who had been the defeated candidate in the provincial election, ascertained that this man was receiving money from the unemployment fund provided last September was instrumental in having him thrown off the job because he had not voted properly in the provincial election. That is another charge I make and I can prove it. If the house wants names I can give them.

An hon. MEMBER: That is an old custom down there, apparently.

Mr. VENIOT: It is no worse than the customs which have prevailed in the province of Ontario. In that province fraud after fraud was proven against a certain government.

An hon. MEMBER: The hon. member cannot prove it?

Mr. VENIOT: Yes I can. And that is no worse than—

Mr. COTNAM: That government has been out of power for thirty years.

Mr. VENIOT: No.

Mr. LAPOINTE: One at a time.

[Mr. Veniot.]

Mr. MacDONALD (Cape Breton): Stick to New Brunswick.

Mr. GOTT: I suggest that the hon. member—

Mr. SPEAKER: Order.

Mr. VENIOT: I think I shall have to send the hon. gentleman across the line to interview another customs officer. Then he might perhaps get better—

Mr. GOTT: Will the hon. member permit a question?

Mr. VENIOT: No.

Mr. GOTT: All right.

Mr. VENIOT: Let me give another instance or two. Up to within a year or two ago it was the practice of the Department of Public Works of New Brunswick to forward directly to individuals cheques for work performed by them. I do not know when the change took place whereby cheques were not sent directly to the individual, but were sent to the supervisor for distribution to the workmen. What happened? In my own town and in my own parish men had worked and earned money under the Unemployment Relief Act. Three days before Christmas the time for payment came and their cheques were sent for distribution to the two defeated candidates in the provincial elections.

An hon. MEMBER: Shame.

Mr. VENIOT: This was Dominion money. Those cheques were not distributed to the men on Christmas eve. At a public conference called in Bathurst to deal with the unemployment situation I asked one of these defeated candidates why the cheques were not distributed. He said they were held back because all the cheques had not come. Those men had to spend Christmas without a dollar to buy anything for their families. That is how the unemployment money was spent in my district. Let me go further.

Mr. SPENCE: We had better vote.

Mr. VENIOT: It is all right for the hon. member to interject, but let me say to him that while he may have had sufficient money in his pocket to buy his Christmas dinner those poor people had not one cent. Not only were the cheques held up by the defeated candidates but they were handed to merchants in the town of Bathurst to some of whom moneys were owing by the workmen. Money due two years back was kept out of their cheques, and their families were left without a cent.

An hon. MEMBER: Were they postmasters?

Mr. VENIOT: They were not postmasters, and they were not ex-postmasters. In the lower end of the county of Gloucester some ex-postmasters may have been treated in that way since the present government has come into power. Their heads are being cut off right and left. Now, I wish to go one step farther.

An hon. MEMBER: Fire another shot.

Mr. VENIOT: Let me go one step further. Let me relate another harrowing case. I cite the case of a man who was to receive $9.90 under the Unemployment Relief Act. He was a poor man and had only one arm. At home his wife and child were sick in bed. Although his cheque came, it went to the supervisor. The supervisor called him in and said, "Your cheque for $9.90 is here." The man replied, "I am glad to get it; you know about the state of affairs at my home; I am glad to get it." "No," the supervisor said, "you cannot get this cheque. You owe $14.35 to the agricultural society for two years and you will not get the cheque." That cheque he never got. They threatened to gaol him for the amount, and he had to go out and borrow the difference between $9.90 and $14.35 and pay it over to the supervisor. He had not a dollar left. Next day his wife and child were both dead and he had to borrow money to bury them. That is the way this money has been spent to relieve unemployment.

Mr. McDADE: What did you ever do to relieve unemployment?

Mr. VENIOT: I never did anything like that. One thing is certain, if I did undertake to do anything for unemployment I would so surround it with safeguards that a poor man would not be robbed.

Mr. McDADE: While you were in power you did not do anything.

Mr. VENIOT: No poor man ever came to my door to be turned away with a harsh word. I do not know whether I can say as much for the hon. member for Northumberland (Mr. McDade). He seems to be very much touched by the story I am relating. Right in his own county the cheques were never sent to the men who worked on the Tabusentac hill; they were sent to the supervisors and distributed among the merchants.

Mr. McDADE: Not at all.

Mr. VENIOT: I make that statement and the hon. gentleman cannot deny it.

An hon. MEMBER: The human heart is touched.

Mr. VENIOT: I do not think there is any human heart at all in the distribution of this money. I am going to appeal to the acting Minister of Labour (Mr. Gordon) to obtain from the Department of Public Works of New Brunswick certified paysheets such as the one I hold in my hand, so that the matter may be looked into . I will give him the names on the paysheets I want, and I ask him to obtain those sheets. Further, when they are obtained I want a special investigation, based on the charges I make with respect to the paysheet I hold in my hand now. This is no hearsay. I know what I am talking about. Besides this paysheet showing this man working for ten hours a day at 60 cents an hour while the men only worked eight hours a day on the bridge according to the paysheet, that paysheet shows this superintendent employed for every day the men worked, and I can prove he was not on the work every day. Is that charge definite enough? Surely it ought to be. When I ask for an investigation I do not want any investigation held in the haphazard way that investigations are now being held in the province of New Brunswick. Into the charges I make I want an investigation held by a judge of a county or superior court, who can hear both sides and before whom we can have the parties represented by lawyers. I do not want the investigation held by a partisan commissioner. I make these charges and I am prepared to stand by them on the one condition—that a judge of a county or superior court shall be appointed to hold the investigation.

Mr. B. F. SMITH (Victoria-Carleton): Mr. Speaker, had it not been for some of the references which have been made by my hon. friend the ex-Postmaster General (Mr. Veniot) I would not have said a word to prolong the discussion, but I think it only fair on behalf of the Minister of Public Works in the New Brunswick government and the other officials of his department who are and have been conducting the work, that something at least should be said in their defence. I am inclined to think, however, that it would have been advisable to have left the whole question in abeyance until some report had been received from the royal commission that is now making an investigation. Until that report is received by the people of New Brunswick I am thoroughly satisfied that it would have been much better to have left this question entirely alone. On behalf of the Minister of Public Works of

New Brunswick I do want to say that when the report is made to the provincial government I am fully satisfied that if it be found that any persons have been found guilty of taking funds out of the exchequer of the province, or of receiving moneys unfairly or unjustly, not only will they be asked to make restitution but they will be prosecuted according to law. I am also satisfied that no one should attempt to defend any person who has unjustifiably appropriated public funds, and I am convinced that no member of the present provincial government in New Brunswick has been charged with one single act such as my hon. friend the ex-Postmaster General has endeavoured to impute to that government.

Mr. VENIOT: I did not charge any member of the government of New Brunswick.

Mr. SMITH (Victoria-Carleton): My hon. friend left that impression.

Mr. VENIOT: Not at all. I made no imputations and no insinuations. I ask that the hon. member withdraw his remark.

Mr. SPEAKER: Having heard the hon. member for Gloucester (Mr. Veniot) make his statement, I think what the hon. member for Victoria-Carleton (Mr. Smith) has said is fair comment.

Mr. SMITH (Victoria-Carleton): Mr. Speaker, there was no question in my mind, and I do not think there could have been any question in the mind of any hon. member of this house, but what the hon. ex-Postmaster General desired to impute was that the government of New Brunswick had wilfully and wrongfully taken the money that was voted for the relief of unemployment, that they had filched it, that it had gone through the hands of dishonest people.

Mr. VENIOT: That is a poor defence.

Mr. SMITH (Victoria-Carleton): I would recall this to your mind, Mr. Speaker. In New Brunswick we have 1,300 supervisors of roads, and they are selected from men in every walk of life, in some cases men of very little education, and in some cases I doubt if we are able to get thoroughly honest men.

Mr. POULIOT: Might I ask a question?

Some hon. MEMBERS: Sit down.

Mr. SMITH (Victoria-Carleton): There is no one who understands that statement better than my hon. friend the ex-Postmaster General. He knows what happened during his regime as Minister of Public Works in New Brunswick. During that time I went to his own county of Gloucester and held an investigation myself. He would not allow me, a layman, any legal assistance. Being an ordinary farmer and knowing very little about the law, I conducted the investigation. What did we find? We found that boys under eight years of age were on the payroll when the ex-Postmaster General was Minister of Public Works in New Brunswick. We found, as the hon. gentleman well knows, that men's names were on the payroll who had never seen the locality or done a day's work, and who admitted to him that they had been working on the sea during that whole period. I ask my hon. friend what sort of justice he meted out to those people. He came back to the legislature of New Brunswick and exonerated every one of them. He held them blameless, and said there were no charges against them, but that the province had received full value for all the money expended.

Mr. VENIOT: I wish to correct my hon. friend.

Some hon. MEMBERS: Sit down.

Mr. SMITH (Victoria-Carleton): You would not permit a question while you were speaking.

Mr. VENIOT: I rise to a point of order.

Mr. GOTT: I rise to a point of order, too.

Mr. SPEAKER: The hon. member for Gloucester says he is raising a point of order, which he has a right to do.

Mr. VENIOT: The hon. gentleman is making a statement which cannot be borne out by the facts. I do not think he is doing it intentionally, but the records will show that the commissioner referred to by him was dismissed and punished, yet to-day he is one of the supervisors under the Tory government.

Mr. SMITH (Victoria-Carleton): I would ask the ex-Postmaster General who held that investigation.

Mr. VENIOT: I held it. It was a departmental investigation. If the hon. gentleman will take his seat I will answer his question.

Mr. GUTHRIE: This is all out of order.

Mr. VENIOT: I was asked a question and I am answering it.

Mr. GUTHRIE: The hon. gentleman was not asked to make a speech. Someone must enforce the rules and I appeal to you, Mr. Speaker, to do so.

Mr. VENIOT: There was a departmental investigation held by the minister.

Mr. SPEAKER: Order.

Mr. SMITH (Victoria-Carleton): If the hon. member wants to make a speech I suppose he can do so.

Mr. VENIOT: I do not want to make a speech, but the hon. gentleman asked me a question and I am answering it.

Mr. SMITH (Victoria-Carleton): But I want to point out to this house the unfairness of the ex-Postmaster General in making such a reference to the government of New Brunswick. He knows that he went to Gloucester county and held the investigation to which I have referred. He knows that the facts I have stated are absolutely correct.

Mr. VENIOT: I do not.

Mr. SMITH (Victoria-Carleton): We of the province of New Brunswick know the ex-Postmaster General; we know how fair he is in his references to any political matters.

Mr. VENIOT: They know you too.

Mr. SMITH (Victoria-Carleton): I am perfectly willing that they should know me. Let me say this in closing: The other night when the hon. gentleman was speaking he referred to himself as the lone star from New Brunswick. I was not surprised that he compared himself to a planet, but I am sure he did not mean the north star, because the north star still shines in the heavens as much as it ever did, while my hon. friend has lost his hold in the province of New Brunswick, as he knows. He does not shine down there as brilliantly as he once did. I regret having had occasion to take up so much of the time of the house on a question of this kind, but I did feel it was only fair to do so on behalf of the government of New Brunswick. I think we should wait until that royal commission has brought in its report in order to see what action is taken upon it.

Mr. JEAN FRANCOIS POULIOT (Temiscouata): I do not intend to speak at any length on this matter, but since the nightshirt of Long Lake told me to sit down, I will get up. When you were a student at the university, Mr. Speaker, do you remember being told that the greatest orator of all times, Demosthenes, used to put stones in his mouth when speaking on the beach, in order to have a louder voice? I noticed with pleasure that my hon. friend from Victoria-Carleton (Mr. Smith) did not put potatoes in his mouth when he spoke, which explains why he spoke with so much fluency. I am always interested when people from New Brunswick discuss the topics of their beautiful province; it is a great entertainment for all of us when they get into the heat of a discussion. To sum up that debate between my good friend the ex-Postmaster General and my new friend the hon. member for Victoria-Carleton, may I say that it will be better for the hon. member for Victoria-Carleton if he does not speak so much about this matter, because it smells very badly.

Mr. GOTT: Speak sense.

Mr. POULIOT: I was not referring to the hon. member; I am not within range of his halitosis. I am speaking of the situation which exists there. I have been told repeatedly that things are so bad in New Brunswick that ex-Premier Baxter resigned in disgust.

Motion agreed to and the house went into committee of supply, Mr. MacDonald (Cape Breton South) in the chair.

DEPARTMENT OF MARINE

Department of Marine—salaries, $432,530; contingencies, $70,000.

Mr. POWER: May I ask the minister if the rumour which has been circulated is true, that Mr. Lucien Dansereau is to be appointed deputy minister?

Hon. ALFRED DURANLEAU (Minister of Marine): I suppose my hon. friend knows that these appointments are in the hands of the Prime Minister. According to law and practice, the heads of the various departments are appointed by the Prime Minister, so the question will have to be directed to him.

Mr. POWER: On the recommendation, I suppose, of so important a member of the ministry as the Minister of Marine?

Mr. DURANLEAU: I can answer my hon. friend in this way: There is no vacancy at the present time.

Item agreed to.

Miscellaneous services relating to navigation and shipping, $53,000.

Mr. MACKENZIE (Vancouver): Is the minister prepared now to publish the report in regard to Ripple rock in British Columbia?

Mr. DURANLEAU: The report is now in the hands of the printer and we expect to have it in a day or two.

Mr. MACKENZIE (Vancouver): And table it?

Mr. DURANLEAU: Yes.

Mr. MOTHERWELL: Can the minister give some explanation with regard to the statement which I understand was issued by his department a few day ago in regard to insurance in connection with Hudson bay? The matter came up to-day on a question asked by the hon. member for Nelson. The Minister of Railways indicated that he had further representations to make, but I should like to know what this statement means in terms of dollars and cents in relation to rates of insurance via Hudson bay and also in relation to the present rate of insurance on grain via the St. Lawrence. I would direct the minister's attention particularly to this paragraph:

> The report also says the joint hull committee has agreed to reduce the rate of the additional premium for suspension of the North American warranty, with respect to vessels passing Cape Sidley inwards on and after August 10 and leaving the last landing port in Hudson bay on or before September 30. The reduction will be from 60 shillings to 50 shillings per cent per hundred pounds insured value, plus 2 shillings per ton on gross registered tonnage.

I do not know what this means, but no doubt the minister does, since this statement was issued from his department. We should very much appreciate an explanation.

Mr. DURANLEAU: In a few days we shall have the report of the committee and we will then give the information.

Mr. HEENAN: The wages of the men in the Halifax shipyards have been held back for some time through a dispute between themselves and the shipyard authorities. Has that question been settled yet?

Mr. DURANLEAU: The matter is going to arbitration and we are now looking for an arbitrator.

Mr. HEENAN: I do not just understand what the minister means in this case by arbitration. The Acting Minister of Labour is in his place, and between the two they might furnish me with the information. I am not criticizing; I am only asking for information. As I understand the situation, a minister of the crown gave a decision as to what were fair wages in the construction of an icebreaker in the Halifax shipyards. Under the laws of Canada that decision was final; no other tribunal had a right to decide the matter, according to the laws of the country. I asked the Marine department to retain a sufficent sum in order to pay these men what is due them. Do I understand that the question is to be arbitrated as to whether or not the men are entitled to their money, or is the question of arbitration merely one between the government and the company to determine who shall pay the money?

Mr. DURANLEAU: I understand there is a disputed item in the contract of the company who employed these men. I do not think there is any dispute as to the money being due the men. If I remember rightly, when I had a conference with the Minister of Labour some time ago he told me that the amount due the employees was around five or six thousand dollars. We have in hand the sum of ten thousand dollars deposited by the company, which is a security that these men will be finally paid. At present we are trying to get the consent of the company to pay the men out of this fund, but if we cannot succeed in this we shall take action. The men are fully protected. It is merely a question of time.

Mr. HEENAN: I do not want to labour the question but I do desire to see justice done these men, because I know something about the matter.

Mr. DURANLEAU: Justice will be done.

Mr. HEENAN: I do not mind if the question of arbitration lies between the government and the contractors as to which of these two parties shall pay the men; but there should be no arbitration proceedings as to whether or not they are entitled to the wages.

Mr. DURANLEAU: There is no doubt that the men are entitled to their wages.

Mr. HEENAN: Thanks, very much.

Mr. CASGRAIN: Is the construction of the Ile-aux-Coudras pier in the St. Lawrence completed?

Mr. DURANLEAU: That question will come up under another item.

Mr. CASGRAIN: Then I will ask it at that time.

Mr. POWER: Can the minister give any details regarding the construction of a new building to provide quarters for the pilots in Quebec?

Mr. DURANLEAU: That will come under the item of administration of pilotage. I shall have no objection to giving the information then.

Item agreed to.

To continue subsidies for wrecking plants—Quebec and British Columbia, $70,000.

Mr. REID: What are these wrecking plants?

Mr. DURANLEAU: They are salvage plants.

Mr. CASGRAIN: What companies in Quebec have subsidies?

Mr. DURANLEAU: There is one company in Quebec and there is one on the Pacific coast.

Mr. CASGRAIN: What is the name of the Quebec company?

Mr. DURANLEAU: The Quebec Salvage and Wrecking Company, Limited.

Mr. CASGRAIN: How much do they receive?

Mr. DURANLEAU: They have been receiving $60,000 a year, from last year. They have a contract.

Mr. POWER: Is the minister aware that within the last year or eighteen months the control of this company has passed from the Canadian Pacific Steamship Company to an American concern, the Chaplin Company of New York? I do not ask the question by way of criticism, because the change probably occurred long before he became a minister; but I would ask him to endeavour as soon as the period of the subsidy has expired to see to it that control gets into Canadian instead of American hands.

Mr. DURANLEAU: Does the hon. member mean that the majority of the shares are in the hands of Americans? I have not heard a word of that.

Mr. POWER: I am giving that information so that when the contract comes up for renewal the minister will be aware of the situation.

Sir EUGENE FISET: Has the minister received an application this year for a subsidy from the Maritime Wrecking Company, who have lately established quarters at Rimouski?

Mr. DURANLEAU: I do not think we have received any requests of that kind.

Mr. QUINN: Have any applications for subsidies been received from dredging companies in the maritime provinces?

Mr. DURANLEAU. I do not think so.

Mr. LAPOINTE: How long does that contract run?

Mr. DURANLEAU: The hon. member means the contract with the Quebec Salvage and Wrecking Company?

Mr. LAPOINTE: Yes.

Mr. DURANLEAU: It will expire on May 1, 1932.

Mr. NEILL: What proportion of this vote will go to the British Columbia wrecking plant this year, and what sum was expended last year?

Mr. DURANLEAU: There is an existing contract between the department and the Pacific Salvage Company Limited of Victoria. This contract is for a period of ten years and will expire on July 2, 1935, and is for $10,000 per year.

Mr. PLUNKETT: Why is there such a difference between the amount expended in the province of Quebec and the amount expended in British Columbia? I understand that Quebec is to get $60,000 while British Columbia will receive only $10,000.

Mr. CASGRAIN: Quebec is larger than British Columbia.

Mr. DURANLEAU: I was not in charge of the department when these contracts were entered into. These companies probably knew at the time they entered into the contracts just what the service was worth. The wrecking company in Quebec has had a lot to do during the past few years. While I was on the western coast I was met by the directors of the Pacific company and they intimated that the amount they received was not adequate for the services rendered. I was inclined to increase the contract price had business conditions improved.

Mr. LAPOINTE: Do not offer anything, they will ask for it.

Mr. DURANLEAU: During these times of depression we have to be very careful about expenditures, and I think this contract should be allowed to stand.

Mr. MARCIL: How many wrecks occurred on the St. Lawrence river last year?

Mr. DURANLEAU: I would have to read a long list.

Mr. MARCIL: I would be satisfied with the number.

Mr. DURANLEAU: The cases are not numbered.

Mr. MARCIL: Has the number been reduced as the result of the improvements made in the river?

Mr. DURANLEAU: They have been reduced in number.

Mr. PLUNKETT: The information given by the hon. minister is very comforting, but upon inquiry of the department I am informed that the grant to Quebec this year has been increased from $35,000 to $60,000.

Mr. DURANLEAU: This year?

Mr. PLUNKETT: That is the information I received, for the year 1931.

Mr. DURANLEAU: If I am not mistaken, that was the amount paid last year.

Mr. PLUNKETT: The information is for 1931.

Mr. DURANLEAU: There is nothing new in the item this year.

Mr. PLUNKETT: It is given as $60,000 for Quebec and $10,000 for British Columbia, while last year it was $35,000 for Quebec and $10,000 for British Columbia. That is the information contained in the order for return.

Mr. DURANLEAU: The amount of $35,000 was voted in 1929-30, and then a new agreement was entered into increasing this amount to $60,000 for 1930-31, and that was the amount paid last year.

Mr. PLUNKETT: I would suggest that a new agreement be made with the British Columbia company as soon as possible.

Mr. LAPOINTE: It would depend upon the amount of work they have to do.

Mr. MacINNIS: Is a list received from these salvage companies as to the amount of work done during the year?

Mr. DURANLEAU: We receive such reports.

Mr. MacINNIS: Is the amount of subsidy based on the services rendered as outlined by the report?

Mr. DURANLEAU: The amount voted is governed by existing contracts for the maintenance of certain plants. For instance, in the case of the western company, the contract will continue until 1935.

Mr. MacINNIS: The hon. minister stated that when he visited the coast early this year the salvage company had suggested that they were not receiving enough for the services performed. He stated that if the financial position had been better he would have been inclined to increase the amount paid. Would that increase be justified by the report made to the department?

[Mr. Marcil.]

Mr. DURANLEAU: According to the information I have received from the department, it would be justified, and from what I saw when in the west I am of the same opinion. Navigation is increasing every year and very often they are called upon to assist wrecks, so in better times probably we will increase this item.

Mr. MacINNIS: I do not suggest that the item be increased unless it is warranted.

Mr. NEILL: This company keeps up a very valuable plant. They are not paid for what they do in the way of assisting wrecks, as the boats assisted pay for that service, but the subsidy is paid for their maintaining a plant in constant operation. They keep steam up all the time on one or two boats in the harbour of Esquimalt. The minister stated that shipping was increasing and consequently these companies had more to do, but that is an argument which would work both ways; if they do more business they would be entitled only to a smaller subsidy. If the minister contemplates increasing the subsidy I trust he will do it along the lines of my request to the late government, that is that this company keep a boat at Bamfield at least during the three winter months. The present service is maintained by one of the naval boats and one of the fishery protection boats, but neither boat is really suitable for the work. The Givenchy and the Armentiere are fairly good sea boats, but they are very light and if required to put out in a heavy storm in order to rescue a ship they would not be able to do very much. They have not the weight of vessel nor the power of engine to do the work, and it would take them all their time to take care of themselves. These boats are well manned and I know they would make a very gallant effort in case of emergency; nevertheless they are not the right type. The boat required is similar to those maintained by the salvage companies, and if an additional $10,000 were paid, I think this company should be required to keep one of their boats at Bamfield for at least the two worst winter months; for the other two winter months the naval or fishery protection boats could meet the situation. I think if he looks into the matter he will find that what I have stated is the fact.

Mr. DURANLEAU: The department has in mind the change suggested by my hon. friend if the subsidy is increased.

Item agreed to.

Miscellaneous and unforeseen expenses, $12,000.

Mr. ROSS: I wish to bring to the minister's attention certain recommendations that have been made by the Canadian Navigators' Federation. Would it be appropriate for me to bring this matter up on this particular item?

Mr. DURANLEAU: Yes.

Mr. ROSS: The Canadian Navigators' Federation come to Ottawa every year and present their recommendations to the minister, and as a rule after they have made their recommendations and presented their petitions to the minister the house and the country never hear anything further of them. I must admit, however, that it is the opinion of the federation that this year they received the best hearing they have had in the existence of the federation. Their recommendations affect shipping and the whole country so far as navigation is concerned, although perhaps they may be more directly applicable to the great lakes.

First they ask that consideration should be given by the department to the load line for vessels on the great lakes. This is a very important matter. Many vessels have been lost with all hands owing to their being overloaded, more especially in the fall months of the year when ice forms freely on an already overloaded vessel.

I do not know whether the minister wishes to reply to each recommendation as I mention it or whether he would prefer that I give them all first and then let me have his opinion on them afterwards, but certainly I would like to have an expression of opinion from the minister as to these recommendations.

The second recommendation is that an inspection be made of all gas and diesel driven vessels over ten gross tons. They state that there are over three thousand of these vessels now on the great lakes, including lake Winnipeg, and as they are engaged in competition with steam driven vessels in carrying passengers, the federation ask that they be inspected and be required to carry life-saving equipment. There is no inspection of these gas and diesel driven vessels at the present time as there is in the case of steam driven vessels, and to the layman it does look as though we had now reached the stage where an inspection of these boats is necessary.

Next they ask that direction finders or wireless be provided on all great lakes vessels. The government is now spending thousands of dollars erecting radio beacons on the lakes, and yet only a few vessels are equipped with direction finders.

They also request an annual inspection of all compasses of vessels over ten gross tons. That is not done, and I think the time has come when it should be done. If the compasses are found defective they should be adjusted, the federation urges, and a deviation card furnished to the federal inspector, the owners, and to the master of the vessel. Three-quarters of all the disasters to vessels, they claim, are caused by faulty compasses, yet there is no law to compel owners to have their vessel compasses inspected or adjusted.

Next they urge that increased life-saving apparatus be provided on the great lakes. This has more particular reference to the next item, for the life-saving service, which item I am sorry to see is reduced. At the foot of the great lakes every year there are wrecks involving loss of life, and no life saving apparatus is available unless we solicit the aid of our American cousins. There are several wrecks at such a point as the Main Ducks, and yet we have no life-saving apparatus of any kind at this important point on the great lakes.

They also ask that the sick mariners' fund be extended to apply to the great lakes. At the present time it covers only as far as Montreal, in other words the head of ocean navigation. They claim that it should be extended to Fort William; for the greatest volume of shipping in the world exists on the great lakes.

They also recommend that seventy-five per cent of all Canadian products be carried or transported on British or Canadian vessels.

They also ask that investigations into wrecks be held before a judge and jury of shipmasters instead of by a one-man court as at present. Why should one man be vested with such powers? The shipmaster should be given the same chance as any other man to defend himself. I have come across several cases where I thought it was rather unfair that the shipmaster and the officers should not have been given a hearing.

Next they ask for a revision of the Canada Shipping Act. I think it is quite apparent to this house and to every person who is interested in shipping that there should be a revision of that act.

They also ask for compulsory pilotage on the upper St. Lawrence. I know that the shipowners oppose this, and claim that they hire their own pilots. That is not objected

to by the federation, so long as there is a pilot on board and the pilot is a certificated official of the government. At the present time if a wreck occurs there seems to be no way of placing the responsibility.

They also ask for a change in the coastal laws. This has been a favourite subject of my own for some time. It is a question as to which there should be some discussion, as to the abrogation of the present coastal laws.

They also ask that in support of our own Canadian dry docks an amendment be made respecting the assessment of repairs. At the present time the United States charges 50 per cent duty on any repair work done in Canada. Canada, on the other hand, charges only 25 per cent. What is the result? Last fall a wreck occurred at the Main Ducks, involving repairs to the amount of about $70,000. That work went to Ogdensburg instead of a Canadian dry dock, and the vessel was a British bottom.

These are some of the points which the Canadian Navigators' Federation has brought up, and unless we get from the minister an expression of opinion with regard to them, or some answer is made to the deputation which waited upon him, these recommendations will simply die as has happened in years past. It is for that reason I am bringing the matter up in the house, and I trust that the minister will give me a reply respecting these recommendations.

Mr. DURANLEAU: I thank the hon. member for Kingston City for his kind remarks with respect to the reception which the navigators received when they came to my office. I was very much interested in all the suggestions they made at that time, and I am pleased to say that their brief has been put into the hands of the experts of my department. I am not myself an expert in these matters, but I have issued a direction that the experts in the department study each of the points dealt with in the brief and make reports thereon. My department and myself are prepared to give every possible attention to the views expressed by the navigators. I hope my hon. friend from Kingston City will notice that within a short time we shall be giving attention to the views of the navigators of Canada.

Mr. WOODSWORTH: The minister has said that he is not an expert in these matters but has asked his officials to bring in certain changes. May I urge that changes with regard to these matters are very long overdue?

The Canada Shipping Act is founded on the British Shipping Act of 1854 and there have been very few changes in our act since that time. In that interval the British shipping acts have been almost entirely revolutionized: ours remains practically unchanged. I understand that in 1913 a revision was proposed, but the war intervened and nothing was done. I wonder whether the action of the minister in referring this brief to the officers of his department means that after another twenty years we may hope to have some sort of report. I understand that regarding some provisions of the Canada Shipping Act we cannot take action because of our relationship with Great Britain; any amendments we propose might come into conflict with the British shipping laws. In the meantime however we are hopelessly behind the shipping legislation of Great Britain. It seems to me that although the men who go down to the sea in ships are not directly represented here, something ought to be done in their behalf. Indeed the very fact that they are not directly represented places upon hon. members of the house a greater responsibility to see that something is done to protect their interests.

Sir EUGENE FISET: What about Admiral Duff?

Mr. WOODSWORTH: Admiral Duff may represent certain interests on the Atlantic, but I doubt whether he represents the interests of a great many of the sailors and marine engineers. I do not wish to go into details concerning the Canada Shipping Act, but I could not better indicate how far behind we are than to point out that the forms in use to-day giving the accounts of wages of seamen are still in pounds, shillings and pence. That may not be of great importance but at least we should compute the wages of seamen in dollars and cents rather than in English terms. Probably I should not use the word "compute." In practice dollars and cents replace the pounds, shillings and pence. Our form however follows that in use in Great Britain, and it seems to me that when we are talking about the status of Canada Canadians ought at least to consider themselves as having attained the status which should enable them to use forms that conform to the ordinary commercial papers we use in this country. I give that only as an illustration of the present state of the Canada Shipping Act and its administration. It is hopelessly out of date, and I hope that before we pass the estimates of this department the minister will give us definite assurance that

the matter will not again be pigeon-holed for a number of years. I hope it will not be put into cold storage and brought out years hence. We should have some assurance that the Canada Shipping Act will be revised in the near future.

Mr. DURANLEAU: Will my hon. friend tell me to what form he refers?

Mr. WOODSWORTH: The wage account form.

Mr. DURANLEAU: Because I have before me the forms as provided by the statute, and I see that dollars and cents are mentioned, and not pounds, shillings and pence.

Mr. WOODSWORTH: I have before me a form actually used showing an account of wages. It was used in connection with one of our ships in the Canadian government Merchant Marine, and the particular document in question is dated December 24, 1930.

The CHAIRMAN: Shall the item carry?

Mr. WOODSWORTH: Mr. Chairman, I think we ought to have a definite statement from the minister as to when the anomalies of the Canada Shipping Act will be corrected, and when we shall have consideration of revisions to act.

Mr. DURANLEAU: There is no doubt that there have not been many amendments to the Canada Shipping Act within the last few years.

Mr. WOODSWORTH: I think 1854 is correct, is it not?

Mr. DURANLEAU: There have been amendments since that time.

Mr. WOODSWORTH: Very slight.

Mr. DURANLEAU: There is no doubt that the act is an old one. My hon. friend is right when he said that it should be revised completely. It is the intention of the Department of Marine to study the act, having in mind a complete revision. As soon as the Statute of Westminster has been adopted we will see that a complete reform of the act is made.

Mr. WOODSWORTH: Thank you.

Mr. CASGRAIN: Trés bien.

Mr. MacINNIS: I would like to make a few remarks to show how much superior the British act passed in 1894 is to the Canada Shipping Act of to-day. With regard to the scale of provisions for seamen I would refer hon. members to the Canada Shipping Act.

Mr. DURANLEAU: What section?

Mr. MacINNIS: Schedule A, page 238.

Mr. DURANLEAU: Yes, I have it.

Mr. MacINNIS: About ten items are included in the schedule of provisions, including bread, beans, pork, flour, peas, tea, coffee, sugar and water. That is the fare at the present time provided under the Canada Shipping Act. Now we shall turn to the British Shipping Act of 1906 where we find a very extensive list, including water, soft bread, biscuits, salt beef, salt pork, preserved meats, fish, potatoes, vegetables, split peas, green peas, beans, flour, rice, oatmeal, tea, coffee, sugar, milk, butter, marmalade or jam, syrup or molasses, suet, pickles, dried fruits, fine salt, mustard, pepper, curry powder and onions. All hon. members know the important part played by proper food in the life of the ordinary man. Under the Canada Shipping Act men go to sea with provision for only a few essential items of food. At this moment I am not saying that is all that is carried by ships at sea, but that is all they need to carry in order to comply with the act. I think that in this one essential something should be done. There is also the fact that no medical examination is required by the Canada Shipping Act. It very often happens that seamen are taken ill with infectious diseases very shortly after leaving port, and because of the confinement and the limited quarters on board they are a much greater menace to those working with them than they would be on shore, and of course they cannot be properly taken care of until the boat reaches port. I agree with the member for Winnipeg North Centre (Mr. Woodsworth), and I am glad to have the assurance of the hon. minister that very shortly steps will be taken to revise the act.

Item agreed to.

Life saving service, including rewards for saving life, $75,000.

Mr. NEILL: This is one of the few items showing a decrease—a very substantial one of 25 per cent. As this is for life saving, I should like to ask the minister how is the economy going to be effected; will they save this man and not the other, or will they discriminate according to the race or religion or politics of those shipwrecked?

Mr. DURANLEAU: We have reduced the amount by reason of the fact that the amount voted in previous years was never expended. For instance, in 1929-30 only $60,478 was expended, in the previous year $53,380; in fact we have never expended more than $60,000, so we thought this year we could reduce the amount to $75,000.

Mr. NEILL: There is plenty of opportunity to spend the whole vote. The condition of the buildings at Bamfield and Tofino is such that they require attention.

Mr. DURANLEAU: I understand they are being taken care of at the present time.

Mr. ROSS: Will the minister give the number of life-saving stations on the great lakes?

Mr. DURANLEAU: We have stations at Cobourg, Port Stanley, Southampton and Point Pelee.

Mr. ROSS: I hope that before another year the minister will take into consideration the need for some life-saving station at the foot of the lakes. There is no doubt that the Cobourg station would be too far away to be of any use to those wrecked, for instance, on the Main Ducks and at points beginning at the islands. We have had great difficulty in saving men wrecked at those points.

Mr. DURANLEAU: This question was dealt with by our official whom we sent there and was favourably reported on by him, so it is being considered by the department at the present time.

Mr. CAYLEY: Is there any life-saving station on lake Huron?

Mr. DURANLEAU: We have a station at Southampton.

Mr. CAYLEY: Nothing north of that?

Mr. DURANLEAU: No.

Mr. CAYLEY: What is the service on the great lakes costing per year?

Mr. DURANLEAU: The annual cost is about $10,000.

Item agreed to.

Hydrographic and tidal and current surveys and to provide for the maintenance and repair of hydrographic steamers, $570,000.

Mr. NEILL: Mr. Chairman, this vote, I presume, includes one for a new hydrographic steamer for the Pacific. I wrote to the minister about this last fall, and the correspondence fell by the wayside—I got no answer. As soon as I saw he was calling for tenders for this steamer I urged upon him that, as in the past, he should require a boat burning coal instead of oil, our coal industry being in a very bad condition. Later on we saw in the papers that a tender had been accepted for a boat burning oil. I understand there was some hitch about the details of the machinery or something, and that it was possible to stall it off; so a delegation waited on the Prime Minister in that regard. I hope the minister can give me an assurance now that the specifications have been changed to cover a boat burning coal. If not, there will be a revolution out there.

Mr. DURANLEAU: This item does not include the necessary amount for the construction of the hydrographic boat for the Pacific.

Mr. NEILL: It does not?

Mr. DURANLEAU: It is not included in this item. This item is to provide for the continuation of hydrographic surveys, and the maintenance of automatic gauges for the determination of water levels in the St. Lawrence and great lakes, and for the operation and maintenance of permanent tidal stations, and the equipment of temporary stations during the summer months. There is no increase in the amount. As to the hydrographic survey boat, if my hon. friend has not received an answer I am sorry.

Mr. NEILL: So am I.

Mr. DURANLEAU: But I am pleased to say his suggestion, also made by the hon. member for Nanaimo, has been accepted and I have ordered a change in the specifications in order that the boat will burn coal instead of oil. Unfortunately that change will mean an increase of about $35,000 in the construction costs, we having had to lengthen the boat by 14 feet and build a double instead of a single bottom. We have done so because we thought the suggestion of my hon. friend should be accepted. We want to encourage Canadian mines instead of foreign producers. I may add that the tender had not been definitely accepted because there was a little discussion about the rate of wages to be paid to the employees of the firm which was the lowest tenderer, but that matter has been straightened out and I think within a few days we will sign a new contract. If so, there will be a supplementary estimate for it.

Mr. NEILL: Mr. Chairman, I have much pleasure in expressing my sincere appreciation of the action of the minister in this regard. It will make quite a difference to us on the coast, and I trust he will always continue to adopt my mild suggestions.

Mr. DURANLEAU: When they are sound most assuredly they will be considered.

Mr. REID: Is a survey of the Fraser river made every year?

Mr. DURANLEAU: I think that comes under the Department of Public Works.

Mr. HANSON (Skeena): I should like to know what portion of this money will be expended on the Pacific coast.

Mr. DURANLEAU: We will spend $115,000 on the Pacific coast, $90,000 with the steamer Lillooet, $15,000 with the auxiliary house boat Pender, and $10,000 with the auxiliary house boat Somass.

Mr. CASGRAIN: How much was spent in the province of Quebec?

Mr. DURANLEAU: $135,000.

Mr. CASGRAIN: Where were these works conducted?

Mr. DURANLEAU: The surveys were made first by the Cartier and the Bayfield. As my hon. friend knows, the Cartier was working on the north shore.

Mr. CASGRAIN: Are there any works to be done this year?

Mr. DURANLEAU: Yes, we have the same vote and the same works will be continued.

Mr. LAPOINTE: With the same crews?

Mr. DURANLEAU: I cannot say exactly, but, with a little change, perhaps with better crews.

Mr. CARDIN: Do I understand that this item covers the work in Hudson bay?

Mr. DURANLEAU: Yes.

Mr. CARDIN: Does the department propose to continue this work this year?

Mr. DURANLEAU: Yes.

Mr. HANSON (Skeena): What amount is intended to be spent this year on the Pacific coast?

Mr. DURANLEAU: I gave the figures a moment ago of what we propose to spend this year.

Mr. HANSON (Skeena): What amount was spent last year?

Mr. DURANLEAU: I have not that information, but I suppose it was about the same amount.

Mr. McINTOSH: What about the expenditure in Hudson bay this year?

Mr. DURANLEAU: It will be practically the same.

Mr. McINTOSH: How much will it amount to?

Mr. DURANLEAU: We expect to spend $110,000, with the steamer Acadia.

Item agreed to.

Radiotelegraph service, and to provide for the construction and maintenance of radiotelegraph ship to shore stations and the general administration of the provisions of the Radio Act and regulations throughout the Dominion, $832,000.

Mr. CARDIN: This item covers a very important service and I should like the minister to explain the reason for the reduction. I am rather inclined to think there should be an increase.

Mr. DURANLEAU: The decrease was occasioned by a reduction in revenue. We have tried to reduce expenses to the minimum in every department without interfering with the efficiency of the service. The chief of that special branch of my department reported that we could go on this year with this reduction, so I thought it my duty to accept his report.

Mr. CARDIN: It may be due to the fact also that certain works undertaken last year have been completed.

Mr. DURANLEAU: That may be so.

Mr. NEILL: The amount indicates that no great change is contemplated in the service, but I want to tell the minister that there is a very well grounded rumour on the coast, almost too definite to be wholly without justification, to the effect that a private company proposes to purchase and take over the stations from this government. I want to tell the minister that I believe this action would meet with the unanimous disapproval of all shipping people and of a great many others whose business takes them up and down the coast. They do not want the radio services handed over to a private corporation. Later on, when the estimates of the Minister of Public Works are up, I intend to make the same protest in regard to the telephone and telegraph services.

There are many reasons for this feeling. One reason is that a private company is out to make money, and will not extend its service unless it is sure the extension will be profitable. That is not the case with a government department; its province is to help shipping and develop the country. If it were thought advisable they would put in an extra station to assist shipping when they knew that station would not pay, but a private company would object to that expenditure. I hope the minister will go into the question very thoroughly before any action is taken. I know of my own knowledge that negotiations have been going on having in view the handing over of the radio stations of Canada to a private company, and I should like some assurance from the minister that no action will be taken immediately at all events.

Mr. DURANLEAU: Two services are performed by these stations; they are, first, aids to navigation, and second, they aid the business interests in the west through a radiotelephone service. I can tell my hon. friend that this question has not been considered as yet by the department. When I was in the west the point was brought up, not in connection with the aids to navigation but in connection with the aid to business interests. It was contended that if the department abandoned that part of the work to a private company, possibly better service would be given, but I can tell my hon. friend that we are not inclined to accept that view. Nothing will be done this year, at any rate, because as yet we have not considered the matter at all.

Item agreed to.

Radio service—to provide for the general improvement of reception conditions to licensed broadcast listeners, $225,000.

Mr. CARDIN: As all the members of the committee know, some years ago a commission was appointed to investigate the propriety of changing the present system of broadcasting into a publicly owned or controlled system. The department decided that, pending the consideration of the report of that commission, no new licences should be issued. I know that not very long ago a new licence was issued in favour of a firm or syndicate or association of some sort in the western section of Ontario. What reasons justified the departure from the principle I have just stated in regard to the issuing of licences? So far as I can remember, that principle was recognized and accepted by the whole house.

Mr. DURANLEAU: Is the hon. member referring to the Windsor station?

Mr. CARDIN: Yes.

Mr. DURANLEAU: We have not departed from the policy adopted by the former administration in this respect except in that particular instance. In that section of Ontario, on the American border, the people have been complaining for months, indeed, years, that they have been able to receive nothing else than American topics and music. There seems to be a sort of curtain, if I may use that term, between Toronto and Windsor, and the people in Windsor have been complaining of inability to get anything in the way of Canadian news or music. There has been a delay in deciding the question of a change in the administration of radio stations in Canada, the province of Quebec contending for certain rights in radio matters. The question was referred by the Minister of Justice to the supreme court and the case will probably go to the privy council. The delay will probably be lengthy, and we thought, under the circumstances, we should give a small station to Windsor. It is only a small station, about one thousand watts for day and five hundred watts for night operation. I think we have acted in the best interests of that part of the country.

Sir EUGENE FISET: Why did the minister decline to entertain the application of Dr. Landry of Mont Joli for a renewal of his licence under the old terms? He was refused on the ground that the department was contemplating an absolutely new system.

Mr. DURANLEAU: My hon. friend is mistaken when he asserts that we have refused a renewal.

Sir EUGENE FISET: The department refused to renew his licence on the previous terms; they wanted to impose new conditions and charge a higher fee. Perhaps the minister will give me some information in the matter.

Mr. DURANLEAU: I shall be glad to supply that information later.

Mr. CARDIN: I do not desire to criticize the minister for having made an exception in the case of Windsor. I am quite familiar with the peculiar and unsatisfactory conditions there from the point of view of reception. As I remember, the matter had been under consideration in the department for some time, and I may say that I was myself somewhat inclined to make an exception in favour of that city. But rumour has it that instead of granting a request which had been made by very responsible people in that section of Ontario, the department issued a new licence in favour of a Conservative organization. That organization, I see by the press, is not yet complete; it is awaiting the appointment of a certain number of directors. According to the reports, it is going to be purely and simply a Conservative organization. Now, I do not criticize the desire of a Conservative association to broadcast; I feel that the two parties are entitled to have their views broadcast over stations of their own. In a case like this, however, I do feel that if an exception had to be made it should not have been made in favour of a political party; it should have been in favour of those who made the strongest representations in support of the establishment of a station at Windsor. If I remember rightly, the Border Cities Star made a request of the department to be allowed a station for themselves in conjunction with some other

concern. That request was refused, and a petition made by a certain number of friends of the government was granted. I have already expressed the view in this house that, as a general rule and as a matter of principle, these broadcasting licences should be given first to newspapers, whenever a newspaper is in a position to undertake the expenditure involved in the establishment of a broadcasting plant. I do not think it is fair to turn down the applications of newspapers; and, in my opinion, if a request was made by the Border Cities Star it was not the proper thing to have refused that request and, instead, granted a licence to a Conservative organization. I should be glad of an explanation. I repeat, I am not criticizing the minister for having made an exception; had I been in his place when he granted the licence I should probably have made an exception in favour of Windsor myself. Indeed, I had practically made up my mind to grant a licence to the city of Windsor because, as I have said, I know the conditions there are certainly unsatisfactory; they cannot get any Canadian programs and must be satisfied with what is broadcast from American stations. It is only fair, therefore, that the people there should be afforded an opportunity of broadcasting Canadian programs. What I am complaining of is that the exception has been made in favour of a Conservative organization.

Mr. DURANLEAU: I am glad my hon. friend shares my views with respect to the granting of a licence to a radio station in Windsor; I am sorry I am not prepared to share his view that radio licences should be granted primarily to newspapers. My hon. friend may be right and he may be wrong; that is a matter for consideration. Is it better to grant radio licences to newspapers or to business concerns who are ready to accommodate both newspapers and others who are interested in broadcasting? That is a question. My hon. friend states that this licence was granted to a Conservative organization. I think he is wrong. We received twenty-one applications from Windsor. Some were received from other parts of Ontario, but they were all for a Windsor radio station. A licence was granted to a concern which will accommodate everyone, and I did not grant that licence before I was assured that everyone would be well served; especially the Border Cities Star.

Mr. CARDIN: What was the concern?

Mr. DURANLEAU: The Border Cities Star were assured that they would have the best service from this station.

Mr. LAPOINTE: What is the operating company?

Mr. DURANLEAU: The licence was granted to Mr. Campbell and Mr. Morgan Dean.

Mr. CARDIN: In their own names?

Mr. DURANLEAU: Yes.

Mr. CARDIN: Has any request been made for a transfer of the licence to another company?

Mr. DURANLEAU: No.

Mr. SANDERSON: Where do these gentlemen reside, in Windsor?

Mr. DURANLEAU: Yes.

Mr. SANDERSON: Is it a company or a partnership?

Mr. DURANLEAU: Not yet. I understand there may be a company formed. Perhaps hon. members would like to hear the hon. member from Windsor (Mr. Morand).

Mr. MORAND: I rather believe that the ex-Minister of Marine has been making political capital of this radio licence for the last four years. The city of Windsor and surrounding country has been without Canadian broadcasting—

Mr. CARDIN: We know that.

Mr. MORAND: Licences were granted for other places, and Windsor was probably the only place in the whole Dominion of Canada that could not get Canadian broadcasts.

Mr. LAPOINTE: Who got the licence?

Mr. MORAND: Mr. Malcolm Campbell and Mr. Morgan Dean, who, I can assure the committee, are very good friends of ours. I do not think there was any question at any time but that a good friend would get it. Before the elections this broadcasting station was peddled through my constituency for the purpose of obtaining support for the various Liberal members and was probably held up for that purpose.

Mr. VENIOT: You happened to be successful; you were the best peddler.

Mr. MORAND: These men are the type who will see that justice will be given to everyone who desires to use the station.

Mr. SANDERSON: When the hon. member says they are good friends, does he mean good political friends?

Mr. MORAND: Both.

Mr. SANDERSON: But mainly political.

Mr. MORAND: No, not mainly political. Mr. Malcolm Campbell is the president of the Kelsey Wheel Company, Limited, and is a business man of good standing in the community. Mr. Morgan Dean is a well-known business man of Windsor. It is probable that a stock company may be formed in which people so desiring will be given an opportunity to take stock.

Mr. SANDERSON: Is the Conservative party taking any stock in that company?

Mr. MORAND: The Conservative party, not having the same amount of money during the last elections as had the Liberal party, will not be able to take any stock.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CARDIN: Before six o'clock the hon. member for East Essex had intimated to the committee that while I was Minister of Marine I used the radio service to help political friends, or something to that effect. I desire to state that during my term of office as Minister of Marine nobody could complain that I used the authority which was mine in order to help political friends and to prevent others from making satisfactory arrangements to broadcast their speeches. I think the records of the department will show that the requests that were made to me by Conservative organizations were in all cases—I will not qualify it by saying where circumstances permitted—met. I did all I could in order to meet their requests, and if any politics has been played in the matter I think my hon. friend from East Essex is more responsible than I am.

Mr. SANDERSON: When the minister finally decided to issue another licence at Windsor, what steps did he take in regard to the applications? I think he said that he had received twenty-one applications. How did they come to him? How did these people know that the department was going to issue another licence?

Mr. DURANLEAU: When I said there were twenty-one applications, I had in mind applications extending over a period of two years, most of which had been abandoned. We therefore considered the last ones, and we came to the conclusion that the two parties mentioned by my hon. friend from East Essex were the best on account of the assurance they gave us that they would provide a first-class service and would accommodate everybody, the newspapers and others who might need the services of a radio station. Having that assurance, we issued the licence in favour of those two men. They were strongly recommended by the member for that division.

Mr. SANDERSON: And I presume the minister took that recommendation.

Mr. DURANLEAU: I think I had to, to a certain extent.

Mr. McINTOSH: The minister has made mention once or twice of certain newspapers. Would he indicate to which newspapers he refers?

Mr. DURANLEAU: After the licence had been practically issued—at all events the correspondence had closed the matter—representatives of the Border Cities Star came to me. I had previously discussed with those who had applied for the licence whether they would accommodate the newspapers, especially the Border Cities Star, because that paper had applied for a licence, I think, nearly two years before, and I was given the assurance that they would receive the best of service. I repeated that assurance to the representatives of the Border Cities Star. They appeared to be satisfied.

Mr. SANDERSON: In addition to the recommendation of the hon. member for East Essex, I suppose the minister had recommendations from the two other members from that district?

Mr. DURANLEAU: I think at least one other member recommended those two men.

Mr. SANDERSON: Did the minister have any recommendation from the Conservative association of Essex county?

Mr. DURANLEAU: I am not prepared to say yes or no to that question. It may be so, but I would have to look up the record. I am sure, however, that the members for the district recommended these two men.

Mr. SANDERSON: The minister would not forget if a recommendation came to him from the Conservative association. Naturally he would pay attention to it, and I think no fault could be found with that. Does he not recall whether he received any recommendation from the Conservative association of East Essex, West Essex or South Essex?

Mr. DURANLEAU: I do not think we received so many recommendations as that.

We may have received one, but I am not sure, and I should not like to mislead the house on that point. I can look it up and give the information to my hon. friend if he so desires.

Mr. SANDERSON: Would the minister state from which of the Essexes he got the one recommendation that he apparently recollects?

Mr. DURANLEAU: The reason I recollect it pretty well is because I had an appointment with those members.

Mr. ROBINSON: There was no recommendation so far as I am aware from any Conservative organization in Essex county. There was just the recommendation from the three members, for East Essex, South Essex and West Essex.

Mr. SANDERSON: I was asking the minister whether he got any recommendations or not.

Mr. ROBINSON: If he got any others I do not know.

Item agreed to.

Lighthouse and coast services—agencies, rents and contingencies, $236,000.

Mr. HEENAN: Would the minister tell us who had charge of the work of painting the buoys and lighthouses on the lake of the Woods last season?

Mr. DURANLEAU: I am told that the work was done under the supervision of Mr. Parrott.

Mr. HEENAN: That was last season. Is this work being done the same way this season?

Mr. DURANLEAU: It has not been done yet, but I suppose it will be; I am not sure.

Mr. HEENAN: I am referring now more particularly to the fact that last season and for the past three or four seasons Mr. Parrott engaged the men himself to paint the buoys and lighthouses, and I was wondering if the same gentleman would do the engaging this season.

Mr. DURANLEAU: It will be done in the same way this year by the same man.

Mr. HEENAN: Then would my hon. friend be surprised to know that the defeated candidate in that constituency has advised the people of Kenora that he is authorized by the department to engage the men, and that he is appointing single men instead of married men?

Mr. DURANLEAU: So far as I am informed, nothing of the kind will be done. The same man, our agent, will hire the employees and will attend to the job, and no one else.

Mr. HEENAN: I am glad to know that. I am glad to have the point cleared up, not only in my own mind but in order to appease the citizens of that part of the country, because I understand that this gentleman not only claims the right to do it but has already done it. I am speaking of the defeated candidate, who is going around Kenora boasting of the fact that different departments of the government have authorized him to say that except through his representation nothing can be done.

Mr. ARTHURS: That really would be a good thing for the riding.

Mr. HEENAN: It may be better than it was before. However if matters are going to be that way we would like to know it so we may all bow the knee to the defeated candidate, who was defeated by the electors. The people indicated very plainly that they did not want him to represent them; notwithstanding their wishes, however, he claims to represent them at the present time. If that is the way matters are to be handled, perhaps it may be the better way. However I would like my hon. friend to clear up the matter. I have no objection so long as the work is done and the married men who are out of work in that particular part of the country are given employment, I do not care whether they are Conservatives or Liberals. But I wish to ask my hon. friend whether or not his department is going to allow a man who was defeated and discarded by the electors to go about among the citizens telling them that they shall not receive their rights as citizens unless he so wishes.

An hon. MEMBER: That was the rule last year.

Mr. HEENAN: Before my hon. friend answers I would like to say to him that another department with which I shall deal at the proper time has assisted this man in an action whereby he is guilty of framing persons in northern Ontario to deprive them of their jobs.

Mr. McGIBBON: Did my friend not do the authorizing a year ago?

Mr. HEENAN: I will deal with my hon. friend any old time he likes, and in any way he likes.

Mr. McGIBBON: Well, why postpone it?

Mr. HEENAN: My hon. friend is familiar with pretty nearly everything in the world except the particular subject about which I am talking at the present time. The gentleman of whom I am speaking was the defeated candidate. He was not a Conservative but was used by the Conservative party during the campaign in order to split the Labour vote in our riding. At the present time he is boasting that he has authority from the heads of different government departments to say that nothing may be done and no man may be hired unless with his approval, and through him. A married man went to the gentleman in charge of the job and was told that the matter was out of his hands and that he had nothing to do with it. These men have had to go to the defeated candidate and bend their knees to a man who was discarded by the electors. If that is the way the Department of Marine is going to be handled in that district I have no objection, so long as we know definitely. If however as the minister says this man is not telling the truth, we ought to know it so that the people may be acquainted with the fact.

Mr. DURANLEAU: As to the other department I have no authority to answer.

Mr. HEENAN: Oh, no.

Mr. DURANLEAU: As to my department, however, I can say that no instructions whatever have been given to the defeated candidate concerning the works mentioned by my hon. friend. The department with which I am connected will see that the works are carried out by the agent of the department and not by any defeated candidate. That is the policy of my department.

Mr. HEENAN: I am glad to know that. I have one further question, and I shall have finished. Will my hon. friend tell me whether or not any instructions have been issued to this the defeated candidate either directly or indirectly concerning the methods he must adopt to engage or recommend men for this job?

Mr. DURANLEAU: I suppose my hon. friend would have no objection if a defeated candidate suggested to an agent or foreman the name of a man who might be employed, provided that man is efficient and can do the job properly. It may be that a defeated candidate would suggest some man to the agent, I do not know. From my own point of view however there have been no instructions issued and no authority given to a defeated candidate. I am informed by the head of my department that no such instructions were issued from the officials of the department to the defeated candidate about whom my hon. friend has been speaking. I think that settles the question and that my hon. friend will be satisfied with the works as they will be carried on.

Mr. HEENAN: I accept the word of the minister, and I am grateful for what he has said. However I cannot accept the gospel that a man who has been rejected by the electors and told that he is not wanted to represent them should have any preference in making a recommendation in respect to anything. I will say that I believe that gentleman should be allowed to live, the same as any other citizen—

Mr. STEVENS: I hope my hon. friend will not get bitter.

Mr. HEENAN: He has a right to live, and I am perfectly willing to let him live until after the next election campaign, but he has no more authority and his word should carry no more weight than that of any other citizen. I am prepared, however, to accept my hon. friend's word. Will the minister tell the committee what is the rate of wages paid to the men on this work?

Mr. DURANLEAU: I understand the prevailing rates have been paid to the men.

Mr. HEENAN: What is the prevailing rate? What is the rate being paid?

Mr. DURANLEAU: Offhand I cannot give the rate exactly. I can say however that the prevailing rate is being paid to the men on the work.

Mr. HEENAN: I hope my hon. friend will take an opportunity to verify his impression, because I think he will find that the rate paid is not the prevailing rate. I have another matter to bring to the attention of the minister. The Dominion government has not a boat on the lake of the Woods, not one to use to take out painters and distribute buoys. I understand that in former times tenders were asked from different boatmen to do this work. I would ask the minister if my understanding is correct, but before he answers I would like him to tell me whether tenders have been called for similar work this season?

Mr. DURANLEAU: I have not that information from the agent.

Mr. HEENAN: I beg the minister's pardon?

Mr. DURANLEAU: I have not received that information from the agent.

Mr. HEENAN: I am afraid the minister is behind the times, because I have had that information for over a month. I would like to know whether or not it is correct. Is it correct that tenders were not called for at all on this particular occasion but that the department instructed the overseer or superintendent to engage a certain man and his boat.

Mr. DURANLEAU: I say frankly that I have not that information, and neither has my department. However we shall have it to-morrow.

Mr. HEENAN: To-morrow?

Mr. DURANLEAU: If my hon. friend has the information he may be satisfied.

Mr. HEENAN: Oh, no.

Mr. DURANLEAU: If he wishes to have it from the department, I shall have it for him to-morrow.

Mr. HEENAN: I would not ask the minister to accept the information I have, because I must tell him that it does not reflect favourably on the department.

Mr. DURANLEAU: If the information is accurate it will be satisfactory to me. As I say, however, if it is the desire of my hon. friend I shall have the information for him to-morrow.

Mr. McGIBBON: Mr. Chairman, I have been very much interested in this new doctrine propounded by the member for Kenora-Rainy River. Going back into history, the only analogy I can find is the case of Saul of Tarsus. The late minister has got a new light, he has seen a vision; hence he thinks it a crime for the ministers of this government to consult their representatives in the various ridings. But the hon. gentleman was for eight years a member of a government that practised the doctrine of consulting defeated Liberal candidates, and those defeated candidates distributed the local patronage. Yet in spite of that record he comes here to-night with a new doctrine. We have had many new doctrines from that side of the house lately. The other day the hon. member for Antigonish-Guysborough (Mr. Duff) propounded this novel doctrine: "Why," he exclaimed, "the Liberal party paid their penalty on the 28th of July last for all their sins of omission and commission; the slate has been wiped clean of all their sins—"

An hon. MEMBER: They have been atoned for.

Mr. McGIBBON: Yes, they have been atoned for, absolution has been granted them. He said: "It is a crime to go back behind the 28th of July last. We are a new party, we have got a new doctrine." This means, of course, that they are scrapping the old doctrine just as they scrapped the platform of the convention of 1919—a platform which at first they took as a chart, then for a compass, and finally they threw the compass into the sea.

Mr. LAPOINTE: Let us vote this item, doctor.

Mr. McGIBBON: Now we have a new doctrine. We are told that we must not criticize anything the Liberal party did; all their sins of omission or commission are to be forgotten. Now, I wonder what port they are heading for to-day. It will be very interesting to watch their tactics for the next few months. I think we already see signs that the old ship is being scuttled—at least it is being headed for a new port, and it will be navigated by a new pilot and manned by a new crew. In other words, there will be a new policy enunciated by the Liberal party before very long. They are going to bury the past. I wonder what pilot will direct, and what crew will work the ship in the next few years, I wonder what port they will be heading for. I suspect they will go back again to the old doctrine.

The CHAIRMAN: Carried.

Mr. NEILL: No, Mr. Chairman, I want to speak after that hon. gentleman.

Mr. McGIBBON: My friend from Comox-Alberni is always ready to fill in a gap at any place on any subject.

Mr. NEILL: The gap is very evident just now.

Mr. McGIBBON: Well, I might retort that the gap in the mental machinery of the hon. member is very evident, but I will not do that. I protest, Mr. Chairman, that these people should object to tactics which for eight long years they took advantage of themselves. I think there should be some consistency and some honesty in the practices of the different parties in this house.

Mr. NEILL: Mr. Chairman, let us get back from doctrines and ships to the item before the committee, which, as I understand, has to do with lighthouses. I think this is an appropriate moment for me to carry out the very definite instructions given me a few weeks ago by the hon. Minister

of Railways (Mr. Manion). At that time we were discussing a bill providing for compensation to government employees injured in the course of their work, and I put in a plea to have the benefits of the bill extended to lightkeepers' assistants. The hon. Minister of Railways assured me that the proper course for me to follow was to go to the Minister of Marine and request aid from him. Therefore with this authority behind me I presume I am in order in bringing the matter before the committee at the present time. This item is for various things, including salaries and allowances for lighthouse keepers. The point is this, that there is a class of employees called lighthouse keepers' assistants, who, technically, do not come under the provisions of the bill sponsored by my friend the Minister of Railways because they are employed by the lighthouse keepers, not by the government; although their payment is provided by the government, actually it comes out of the pocket of the lighthouse keepers. Suppose the lighthouse keeper receives a salary of $900, and is required to keep an assistant, the government will give him a salary of $1,500, but this extra $600 is not enough to secure the services of an outside man, so some member of the lighthouse keeper's family, his wife, or son, does the work. I appeal to the Minister of Marine that when providing the miserable salaries—because they are miserable, when these lighthouse keepers have to provide an assistant—that he would add a very little extra sum—I do not suppose it would exceed $10 a year—to enable the lighthouse keeper to pay to the provincial board of workmen's compensation the small contribution necessary so that if any of these assistants were killed or injured the compensation received would help to take care of their families. If the minister would kindly consider this proposal—he need not put it in this item—it would be of advantage to the service and would be doing justice to these men according to the very spirit of the act. Not only the Dominion, but all the provinces protect their workmen by way of giving them compensation for injuries received in the course of their employment. I am not saying the lighthouse keepers' assistants should not be paid by the lighthouse keepers, because it is a desirable arrangement, but the small addition to their pay that I have suggested would enable them to meet the situation.

Mr. ARTHURS: I have very great pleasure in endorsing the plea made by the hon. member for Comox-Alberni. There are many places where the lighthouse keeper has one or more assistants, and they are hired simply for the season. They at least run as great a risk in every way as the lighthouse keepers themselves, and I think some provision should be made to bring them within the scope of the legislation to which my hon. friend has referred.

Mr. DURANLEAU: The question is very important, and I will give consideration to it.

Item agreed to.

Construction, maintenance and supervision of aids to navigation, including salaries and allowances to lightkeepers, $2,354,600.

Sir EUGENE FISET: Is the lighthouse keeper still at Bicquet in the county of Rimouski?

Mr. DURANLEAU: If my memory serves me right, I think he has not been changed yet.

Mr. VENIOT: What branches of the service are affected by the reduction of $530,400?

Mr. DURANLEAU: The branch affected is the construction branch.

Mr. VENIOT: While I have no objection to this item passing just now, there is a question to be discussed in connection with the salaries of lighthouse keepers. Would the minister consent to let this item stand so that the matter may be taken up at a later date? There is certain information which is desired, and if the minister would consent that this or any other item stand on which we could discuss the question of lighthouse keepers, we might be able to make some progress.

Mr. DURANLEAU: This is the item, if there is any information desired.

Mr. VENIOT: Would the minister allow this item to stand for the present? We want to discuss the matter and we need certain information. It is not an unusual thing to have the minister let an item stand so that we can discuss even his whole department. That has been asked numerous times and there never has been any objection.

Mr. DURANLEAU: If it is the desire of the committee I have no objection to letting this item stand.

Sir EUGENE FISET: For general discussion.

Item stands.

Amount required to pay compassionate allowance to John Davidson, formerly lightkeeper at Cape Mudge, B.C., $500.

Mr. KENNEDY (Peace River): Is this an annual expenditure? Why is this allowance made?

Mr. DURANLEAU: This man was appointed keeper of Cape Mudge light in June, 1898, and gave faithful service until October, 1918, when he was forced to resign his position through loss of eyesight. He became practically blind at that time. There was no means at the disposal of the department—

Some hon. MEMBERS: Carried.

The CHAIRMAN: Carried.

Mr. KENNEDY (Peace River): I want the minister to finish his explanation; I do not care who calls "carried." The minister had not finished his explanation, and I want to get it.

The CHAIRMAN: Hon. members called "carried."

Mr. KENNEDY (Peace River): It does not matter what hon. members said.

The CHAIRMAN: If the hon. gentleman will take his seat, the item is carried.

Mr. DURANLEAU: This amount has been paid for years, and everyone admits that it is a deserving case.

Item agreed to.

Administration of pilotage, $225,000.

Sir EUGENE FISET: I have received, not only this year but for several years past, applications from students of the province of Quebec who are anxious to become apprentice pilots. I understand that two years ago the regulations of the department were changed, and that notwithstanding what may be the political complexion of the candidate, his name is entered on the list provided he possesses the necessary qualifications. He has only to apply to the director of pilotage to file his application, and forms are sent to him containing all the necessary instructions and directions as to medical examination and so on. May I ask the minister if the same procedure still applies?

Mr. DURANLEAU: The same policy has been followed since this government came into power.

Item agreed to.

Maintenance and repairs to wharves, $6,000.

Mr. RALSTON: Has the matter of water supply for the lighthouse at Cape Forchu, in Yarmouth, come before the minister, and has he given it his consideration? It is a matter which has been pending for some time.

Mr. DURANLEAU: I think the question of the digging of a well has come before the department, and it is under consideration.

Mr. RALSTON: Has any progress been made?

Mr. DURANLEAU: We have made no decision yet, and I cannot say exactly the position of the matter now.

Mr. RALSTON: I should like to press the minister for favourable consideration, not merely consideration.

Mr. DURANLEAU: I will give the matter my consideration.

Mr. VENIOT: Can the minister state whether the wharf at Pointe du Chene, in the county of Westmorland, formerly held by the Department of Marine, is still held by that department or whether it has been transferred to the Department of Public Works?

Mr. DURANLEAU: It is still the property of the Department of Marine.

Mr. CARDIN: I understand that this sum of $6,000 is to provide for small repairs to the wharves administered by the Department of Marine. I understand that the wharves are constructed by the Department of Public Works and passed on to the Department of Marine for administration, and the Department is responsible for the state of repair of all the wharves under its control. As the minister knows, the government has acquired wharves which were the property of the Canada Steamship Lines in the town of Sorel, along the Richelieu river. These wharves are in very bad condition and need repairs. I should like to enlist the support of my hon. friend the Minister of Marine in order to help the Minister of Public Works come to the conclusion that these wharves should be reconstructed. Will the minister be favourable to the reconstruction of these wharves on the Richelieu river?

Mr. DURANLEAU: As my hon. friend knows, under this small item of $6,000 we do only the very small repairs, costing up to $25. All other repairs are made by the Department of Public Works. With regard to the wharves mentioned, we have drawn the attention of the Department of Public Works to the repairs which are required.

Item agreed to.

To provide for breaking ice in Thunder bay, lake Superior and other points deemed advisable in the interests of navigation, $44,000.

Mr. VENIOT: A question was asked by the hon. member for Beauce on May 15, as follows:

1. For how many days did the government icebreaker N. B. McLean work in the gulf of St. Lawrence and Chaleur bay during the months of March, April, and May, 1931?
2. To what point in Chaleur bay did she succeed in cutting a channel through the ice?
3. What was the daily cost of the operation of this vessel, including wages of crew and fuel?
4. Was the vessel obliged to abandon this work on account of an accident?
5. If so, for how long will the vessel be laid up, what is the estimated cost of the repairs required in order to put her back in working condition?

So far the question has not been answered. Perhaps if the minister has not the information to-night he could give it to us when we take up at a later date the item which has been allowed to stand. Will he also say at whose request this boat was engaged to break ice in the baie de Chaleur and up the Restigouche river as far as Dalhousie?

Mr. DURANLEAU: There were no ice-breaking operations in Chaleur bay this year. I intended to answer to-morrow a question which has been asked in this regard.

Mr. VENIOT: Was a request received by the department for breaking ice in Chaleur bay? If so, from whom did that request come?

Mr. DURANLEAU: I think a gentleman from that locality, connected with the plant there, applied to the department verbally for relief this spring.

Mr. VENIOT: Would the minister remember the name if I mentioned it? Was it Mr. W. S. Montgomery?

Mr. DURANLEAU: I believe that is the man.

Mr. VENIOT: He is not connected with the plant there.

Mr. DURANLEAU: Well, he came to my department and represented that if an ice-breaker could be sent it would advance navigation by fifteen or twenty days.

Mr. POWER: I might assist the minister by telling him that I read the documents produced some days ago and it appears that General J. B. White of the International Paper Company requested the minister to send an icebreaker to Chaleur bay, which request was acceded to. That appears from the documents filed a week ago.

Mr. DURANLEAU: I do not think we had a request direct from the paper company.

Mr. POWER: From General White.

Mr. DURANLEAU: Mr. Montgomery asserted that it was the wish of the company that we should send an icebreaker.

Mr. POWER: But the minister produced certain documents which I had the pleasure of reading two or three days ago. They showed that the International Paper Company, through its manager, had requested that the icebreaker be sent.

Mr. DURANLEAU: This year?

Mr. POWER: Yes. The papers were produced at the request of the hon. member for Beauce, and I read them two or three days ago. The hon. member is not here, but no doubt I could find the papers.

Mr. DURANLEAU: That, I am informed, was in the year 1930.

Mr. POWER: Perhaps the minister is right, but I was under the impression that it was this year.

Mr. VENIOT: In 1929 Mr. Montgomery made a request of myself by telegram which I passed on to the Marine department, but no request was made by the heads of the company at Dalhousie. In fact, I communicated by telegram with the company at that time, asking them if it was necessary. It was in the fall of the year, after the freezing-up. There was a vessel loaded with sulphur and it was feared that she would not be able to reach the dock and that some damage might be done her. I wired the company, asking if it was absolutely necessary to have an icebreaker go there, and after a delay of twenty-four hours they wired in reply that the necessity no longer existed, soft weather having intervened. The vessel in consequence was able to reach the dock. But during that winter of 1929-30 Mr. Montgomery interceded on behalf of the company to have an icebreaker go down the St. Lawrence and through the gulf, opening the ice in the baie de Chaleur and up the Restigouche river as far as Dalhousie. It was contended that this would open navigation two or three weeks earlier than usual. It was considered at the time that there was no necessity for granting such a request, and as no application had come direct from the company interested, the matter was left in abeyance. Nothing was done. I understand that this year Mr. Montgomery again made a request. While I should like to see the bay open to navigation

three or four weeks earlier than it would be in the natural course, I cannot see that it would be of great advantage to shipping on the north shore that we should go to the enormous expense of opening the gulf of St. Lawrence, Chaleur bay and Restigouche river. We have daily communication by rail with Dalhousie and anything which it is necessary to import or export at that season of the year can be shipped by rail. There is therefore no necessity for going to this heavy expenditure. I wanted to explain that to the committee. Perhaps the minister could look up the records and see whether any request has come direct from the company through either the superintendent or manager at Dalhousie, or the general manager at Montreal. I do not think there has been such a request.

Mr. DURANLEAU: No icebreaker was sent there this year.

Sir EUGENE FISET: Has the minister received from the chamber of commerce of Rimouski an application, supported by several navigation companies that operate between Rimouski wharf and the north shore, to try during the winter to keep the deep water channel clear? This year navigation was interrupted for barely two months, and I understand that the services of an icebreaker about once a week will be quite sufficient to keep that channel open and ensure communication between the south shore and the north shore. I hope that if the minister, who is familiar with the situation, has received an application, he will give it due and, if possible, favourable consideration.

Mr. DURANLEAU: I cannot say offhand from whom such an application has come.

Sir EUGENE FISET: It came from the chamber of commerce.

Mr. DURANLEAU: I believe I received an application and it is under consideration.

Item agreed to.

Loan to harbour commissioners of Montreal, with interest at a rate to be fixed by the governor in council, for such period and upon such terms and conditions as the governor in council may determine, and to be applied in payment of deficits resulting from the operations of the Montreal harbour bridge, $681,600.

Mr. CARDIN: In view of what was said a few days ago in regard to the building and operation of a bridge in the harbour of Montreal, and of the importance of this question, I would ask that this item be allowed to stand.

Mr. DURANLEAU: If it is the desire of the committee I have no objection to allowing it to stand.

Item stands.

Construction, maintenance and supervision of aids to navigation, including salaries and allowances to lightkeepers, $2,354,600.

Mr. DURANLEAU: I suggest to the committee that this item be carried, and I will provide an opportunity to discuss any questions relating to marine matters when the remaining items are before the committee.

Mr. CARDIN: I think that is satisfactory.

Mr. DURANLEAU: I am holding item 326.

Mr. LAPOINTE: The minister will allow us to discuss anything concerning his department when that item is before the committee?

Mr. DURANLEAU: Yes, concerning any marine question.

Mr. VENIOT: Under those conditions I am satisfied to allow this item to pass.

Mr. HEENAN: I received a letter some time ago pointing out the dangers to navigation existing in the lake of the Woods. I am sure the hon. member to the minister's right (Mr. Rogers) will substantiate what I have to say in this regard. This lake, which is international in character, is usually kept at a level ranging between elevations 1062 and 1056. When it is at a level of about 1061 there are many rocks which lie just about six inches or a foot below the surface of the water. Hundreds of pleasure and commercial boats ply this lake, and some have been caught on the rocks with a consequent endangering of life. At the present time the lake is down to the low level of 1056 and it would be an easy matter for the minister to have a few holes drilled in these rocks and blow them up. In the interests of safe navigation would he ask some of his officers to make a report on this work?

Mr. DURANLEAU: This is a matter which would come under the jurisdiction of the Public Works department.

Mr. HEENAN: Only after the Minister of Marine had said what was required for the purposes of navigation.

Mr. DURANLEAU: I will do that with pleasure.

Mr. POWER: Before we next return to a discussion on the estimates of the Marine department, would the minister see to it that

due diligence prevails in his department in the bringing down of certain returns which I asked for in the early days of the session, particularly those relating to the Quebec harbour?

Mr. DURANLEAU: I believe those will be ready very soon.

Item agreed to.

DEPARTMENT OF RAILWAYS AND CANALS

Railways and Canals — civil government — salaries, $283,235; contingencies, $46,000.

Mr. MACKENZIE KING: Mr. Chairman, I do not rise to offer any objection to this item, but our understanding was that the estimates of the Department of Trade and Commerce would be taken up after we had finished with the Department of Marine, and hon. members on this side have governed themselves accordingly.

Mr. MANION: The acting leader (Mr. Guthrie) tells me that the Minister of Trade and Commerce was not ready to go on.

Item agreed to.

Canadian government railways: to provide additional car ferry and facilities for car ferry service between the mainland and Prince Edward Island, $1,059,310.

Mr. POWER: Is this the car ferry which was completed yesterday?

Mr. MANION: Yes.

Mr. POWER: And at the baptism of which the minister officiated?

Mr. MANION: I did not officiate; I was simply one of the spectators.

Mr. POWER: He made a speech anyway. What was the cost of the vessel?

Mr. MANION: The contract price is $2,112,600.

Mr. POWER: Any extras?

Mr. MANION: There usually are in these government contracts, but we know of none.

Mr. LAPOINTE: That is almost inviting them.

Mr. MANION: I am not inviting them.

Mr. MERCIER (St. Henri): Where was this car ferry built?

Mr. MANION: At Lauzon.

Item agreed to.

[Mr. Power.]

Hudson Bay railway and terminals: construction and betterments, including E. B. Jost at $2,500 (revote, $1,375,000), $6,000,000.

Mr. BROWN: On a previous occasion this session I asked the Minister of Railways if it was the intention of the government to do anything towards implementing the promise made during the election to build the Mafeking cut-off. I understand from statements made by the Minister of Railways during the campaign that the party opposite considered the Mafeking cut-off as part of the Hudson Bay railway. I would like to know if there is anything included in this vote for the building of the Mafeking cut-off. Perhaps the committee would like to know just what that is. I am told that the minister on one occasion said he did not know what it was himself, but under any circumstances he would build it.

Mr. MANION: I have already corrected that statement once or twice in the house, and I wish to correct it again. I never made any such statement. I would like to make another correction. I did not say that I considered the Mafeking cut-off a part of the Hudson Bay railway.

Mr. BROWN: In that case I shall have to read a report of a speech by the Minister of Railways at Dauphin, June 29, 1930, as follows:

"Mr. Bennett has promised to build the Mafeking cut-off."

Mr. Bennett does not consider the Mafeking cut-off a branch line of the Canadian National railways, but a part of the Hudson Bay railway system to be built by the Dominion government.

To build the Mafeking cut-off will not mean political interference with the Canadian National Railways. No public man has ever given a more solemn or emphatic pledge on any matter than has Mr. Bennett that he will preserve the integrity of the Canadian National Railways.

That is the report of a meeting held at Dauphin on June 29, 1930, in which the Minister of Railways is quoting Mr. Bennett as saying that he did not consider the Mafeking cut-off a part of the Canadian National Railway system, but as part of the Hudson Bay railway and that it should be built by the Dominion government.

Mr. MANION: What is my hon. friend quoting from?

Mr. BROWN: From a statement that has been given to me of a report of a speech given by the minister.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: Who reported it?

Mr. BROWN: This is a matter of some importance. I may say for the benefit of hon. gentlemen who perhaps are not familiar with the railway situation in that part of the country that Mafeking is situated on a branch line of the Canadian National that runs up to Prince Albert. It is about twenty-five miles from the Saskatchewan boundary and about seventy miles from Hudson Bay Junction. For the people of Manitoba to get to Churchill they have to go to Hudson Bay Junction, and then the road comes back at an angle of sixty degrees to The Pas. This Mafeking cut-off, which was promised by the Prime Minister and the Minister of Railways, would form the third side of the triangle, and if we remember our mathematics aright, any two sides of a triangle are together greater than the third side. This cut-off would save probably seventy miles. There has been a strong demand in the province of Manitoba for a shorter line to Hudson bay than the present one, and the Mafeking cut-off has been very strongly supported by some constituencies in Manitoba, those lying to the west, principally the constituencies of Nelson and Dauphin. This question formed one of the chief issues in the election campaign last summer in that part of Manitoba, and it can safely be said, I think, that the present member for Dauphin owes his election entirely to the promises that were made by the present leader of the government to build the Mafeking cut-off.

Mr. COTNAM: Where does the hon. gentleman get this report?

Mr. BROWN: It was furnished to me. If it is not true, the minister can say so.

Mr. MANION: I did not make that promise. I will speak as soon as my hon. friend is through.

Mr. BROWN: I have said that the Mafeking cut-off formed one of the chief issues in the election in that part of the country. The former Minister of Railways, Hon. T. A. Crerar, speaking at a meeting in Dauphin, declined to give any such promise. He was questioned on the matter of the Mafeking cut-off and he came forward and made a straight statement.

Mr. COTNAM: More than he ever did in this house.

Mr. BROWN: He made no promises that he knew he was not in a position to fulfil. I have been told by a number of people in that constituency that because the Hon. T. A. Crerar did not make rash promises that he knew he could not carry out, Mr. Ward, the Liberal candidate, lost the election in that constituency.

Mr. MANION: As my hon. friend has quoted from a statement which is supposed to be a report of a speech of mine, would he mind quoting from a report of Mr. Crerar's speech?

Mr. BROWN: I am just going to do that. The Hon. T. A. Crerar, speaking at Dauphin on July 19, 1930, said:

> I am not here to tell you that the Mafeking cut-off will be built. The Mafeking cut-off is a branch line from one point to another on the Canadian National railways and is not a departmental matter. I cannot ask parliament to advance the money to build this road unless it is recommended by the directors of the Canadian National Railways. A study is being made of all phases, and if the directors of the Canadian National Railways recommend this construction I will give the matter consideration. From the standpoint of freight rates the Mafeking cut-off should not be built.

It is quite easy to understand, Mr. Chairman, that when a responsible minister of the crown, speaking in a constituency in which the Mafeking cut-off was perhaps one of the chief issues, comes forward with a plain statement of that kind, making no promises that he knew he could not fulfil, a large measure of support would be withdrawn from the government candidate and go to the men who made the promises.

Here is an extract from a poster that was used in the election of Mr. J. L. Bowman, the Conservative candidate in that constituency:

> If you want the Mafeking cut-off, there is only one way to get it. Vote Bowman. Printed by the Dauphin Herald and Press, Dauphin, Manitoba, by the authority of J. N. McFadden, official agent for J. L. Bowman, Conservative candidate.

The present Prime Minister, speaking at Winnipeg on June 9, 1930, said:

> We pledge ourselves to the improvement of the whole scheme of Canadian transportation northward by the completion of the Hudson Bay road and the construction of such branches as may be necessary to render it most readily available to every part of Canada. The Conservative party which commenced the construction of the Hudson Bay railway will see it through. . . .

That does not happen to be true, because the Conservative party did not commence the construction of the Hudson Bay railway. The extract continues:

> . . . will see it through with all auxiliary works and development necessary to its effective operation.

The present Prime Minister at Brandon said:

> The Mafeking cut-off is one of the works which should now be under way, not only as a needed public improvement but as a means of relieving unemployment.

Undoubtedly the commencement of that work would do a great deal to relieve unemployment, and it was expected by those who were foolish enough to believe the promise made that the work would be carried on during the winter and that a right of way would be cleared. As I have said, this was one of the chief issues in the constituency of Dauphin. I think the hon. member for Dauphin is in the position of a man who has been the recipient of goods obtained by false pretences.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: His election was won on the campaign promises of hon. gentlemen who are now members of the government to the effect that the Mafeking cut-off would be constructed. That has not been done. I do not believe the Mafeking cut-off should be built. To my mind it would not give the best service to the province of Manitoba, and would not furnish the most direct connection with Hudson Bay. However the promise was definitely made by the Minister of Railways and Canals and by the Prime Minister that this road would be built. The fact is that it has not been built.

Mr. MANION: I should like to have the evidence from which my hon. friend is quoting. What has he besides a written statement handed to him by someone? How does he know I made any such statement? I ask him to give the evidence. He has stated three or four times that I said certain things, and I should like to know the source of his information.

Mr. BROWN: The information was furnished me in the form of an extract.

Mr. MANION: By whom? What party supplied it?

Mr. BROWN: Perhaps the hon. member—

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: I have no hesitation in saying it came to me from the man who was the Liberal candidate in that constituency.

Mr. MANION: I should like to say—

Mr. BROWN: And I accept it as the true evidence.

[Mr. Brown.]

Mr. MANION: I should like to say that the Liberal candidate was not my reporter on that occasion. He was not even present at the meeting, so I do not choose to accept the statement made by him.

Mr. BROWN: Will the minister say he never under any circumstances directly or indirectly promised that the Mafeking cut-off would be built?

Mr. MANION: When the hon. member has completed his statement I shall make mine. He had better go ahead and give some evidence other than the statement from which he quoted. I do not wish to hear the unsupported statement of a gentleman who was deprived of his election.

Mr. BROWN: Here is an extract from a poster that was used in the campaign.

Mr. MANION: I did not put up the posters.

Mr. BROWN: "There is only one way to get the Mafeking cut-off."

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: I know it is a common practice for hon. gentlemen opposite to deny newspaper reports. They claim they are misreported and repudiate anything credited to them.

Mr. MANION: My hon. friend produced not a newspaper report but a statement prepared by the defeated Liberal candidate. I have not contradicted any newspaper reports, but I am asking my hon. friend to produce the newspaper reports.

Mr. MACKENZIE KING: Perhaps I might do that. I quote from a report which appeared on June 23, 1930, in the Mail and Empire, an organ of hon. gentlemen opposite, of a meeting addressed by the present Prime Minister at Brandon on June 21, 1930. It quotes the leader of the Conservative party as follows:

> Let us put Crowsnest rates in effect on the Hudson Bay railway. Let us finish the port. Let us get the lowest possible insurance rates and aids to navigation without delay.

Of the same meeting the Mail and Empire report continues as follows:

> Endorsation of the suggested Mafeking cut-off to afford Manitoba a shorter route to the Hudson Bay railway was voiced by the Conservative leader. Supporting the proposal Mr. Bennett said that this would be a proper national undertaking to be started to relieve unemployment and he asserted such was his intention.

Mr. MANION: I was asking for newspaper reports of my speeches.

Mr. MACKENZIE KING: This is a report of a speech made by the present Prime Minister, and I would ask my hon. friend if he would not regard a statement of the Prime Minister as a pledge just as binding on the part of the government as any the hon. minister himself might make.

Mr. MANION: Yes, and since my right hon. friend has brought up the matter I may tell him that last winter at considerable expense we had surveys made in connection with the Mafeking route. I was waiting for my hon. friend to finish his statement before replying to him.

Mr. BROWN: I may say to the minister that these are newspaper reports which have been sent to me by the defeated Liberal candidate.

Mr. MANION: From what newspaper?

Mr. BROWN: The importance of the matter does not depend upon the newspaper in which the report was contained but rather upon the statement made by the minister in connection with the matter referred to.

Mr. MANION: The importance of a statement rests in the truth of it. I do not choose to accept the statement made by a defeated candidate. I spoke at various places in Manitoba, and in Dauphin I did refer to the Mafeking cut-off. I said we would investigate it, and if we thought it satisfactory or advisable to build the cut-off, on the advice of the Canadian National Railway, we would build it, or something to that effect. We have moved in the matter. During the past winter a survey has been made, but as yet no report or recommendation has been handed to me. I am told however by my deputy that the survey is completed. It would seem that the present government has gone a good deal farther than my hon. friends went when they were in power. I do not know whether or not the cut-off will be built; that will depend to a great extent on the report that is received and the financial condition of the country. The possibility of construction will depend on many factors.

Mr. BROWN: It is certain that the people of Dauphin came to the conclusion that there was a very wide difference between the straightforward and honest statement made by the Hon. T. A. Crerar, the then Minister of Railways, and the statement made by the present Minister of Railways.

Mr. MANION: I rise to a point of order. Three or four times the hon. member has referred to the honest and straightforward statements of the late Minister of Railways and Canals, and implied that I had not made straightforward statements. I object to the implication that I have made dishonest statements, or statements which were not straightforward.

Mr. BROWN: It is clear that there was such a wide difference between the statements made by the Hon. T. A. Crerar and those made by the present Minister of Railways that a large majority of the people of Dauphin came to the conclusion that it was the statements of the present Minister of Railways that swung the vote from the Liberal to the Conservative candidate.

Mr. MANION: I am very glad I did well in some places. I spoke in many places in Manitoba and I must say that we got quite a number of seats in that province. I am pleased that I was well received in some constituencies.

Mr. BROWN: The minister did not come to my constituency.

Mr. MANION: I did. If it had not been for a rainstorm the hon. member might not have been here, criticizing, to-night. As a matter of fact my hon. friend was lucky. He is pretty good at prayers, and I think on that occasion his prayers must have saved him because there was a heavy downpour of rain and we did not hold the mass meeting which had been scheduled. I am informed that even a dub speaker like myself could have swung the election against my hon. friend if he could have got there to speak to the people.

Mr. BROWN: The hon. minister has no small opinion of himself. The intervention of the rainstorm was a most fortunate occurrence because it saved a good deal of embarrassment for some of those who were campaigning against me. At a later date however the Minister of Trade and Commerce (Mr. Stevens) came in his place, but he did not succeed. The Minister of Trade and Commerce and the Minister of Railways and Canals may settle between themselves as to which is the better man.

Mr. MANION: No, not as to which is the better man, but as to which is the worse man for allowing my hon. friend to get back into parliament.

Mr. BROWN: I would ask hon. members to bear in mind that the Mafeking cut-off was to be undertaken immediately to relieve unemployment.

Mr. MANION: My hon. friend does not suggest that before a survey is made we should begin to build the line?

Mr. BROWN: Not at all, but—

Mr. MANION: "But" what? The survey has been made at considerable expense, and as yet the report has not been received. That is the best I can do.

Mr. BROWN: Just another instance of unfulfilled promises.

Mr. MANION: Oh, no.

Mr. MULLINS: The constituency of Dauphin adjoins the constituency of Marquette. I attended several meetings in Mr. Bowman's constituency, and the question of the Mafeking cut-off was never once mentioned at any of them, nor did it in any way affect his election. I am sorry that through sickness he is not in the house to deal with the accusation made by the hon. gentleman. Mr. Ward's defeat is well known to my hon. friend. He went down to defeat because he was a little progressive and was not needed by the constituency of Dauphin any more than one was needed in the constituency of Marquette.

Mr. GARDINER: Will the minister give the various amounts making up the total?

Mr. MANION: Yes. The item is for $6,000,000 and is made up of $1,000,000 for the line between Le Pas and Churchill and the other $5,000,000 is for work on the terminals so far as we expect to go this year. Those are the two larger items. If my hon. friend wishes I can give him more details in regard to the terminals.

Mr. GARDINER: Can the minister give any details of the progress of the work?

Mr. MANION: Yes. The work has been progressing very satisfactorily. In fact I am informed by my engineers, and by the contractors with whom I took the matter up very recently, that they are further ahead of their schedule than they expected to be, and unless something unforeseen happens trial shipments of grain will go out of Churchill this fall. We have no reason at the moment to think that that will not be possible. If my hon. friend wishes to know about any particular item I shall be glad to give him the details, but that in a general way covers what is being done.

[Mr. Manion.]

Mr. STEWART (Edmonton): I presume the $5,000,000 is to be spent for the completion of the works?

Mr. MANION: The details of the $5,000,000 are as follows:

Wages	$ 750,000
Transportation of men	60,000
Freight	75,000
Timber, 5,600,000 ft. B.M. (including freight)	250,000
Building lumber	25,000
Coal, 9,000 tons (including freight)	100,000
Dredge parts	50,000
Other equipment	25,000
Gasoline and oil	25,000
Hardware	25,000
Crib iron	25,000
Water supply, tanks, pumps, etc.	25,000
Fill by Canadian National Railway, 400,000 yards at 75 cents.	300,000
Elevator, 2,500,000 bushels	3,100,000
Sundries	165,000

Mr. STEWART (Edmonton): I thought the elevator was practically completed.

Mr. MANION: Oh, no, my hon. friend is wrong as to that. When I was there last October the foundations and base had been laid. The superstructure is to be completed this summer.

Mr. POWER: How many men were employed there?

Mr. MANION: Around 1,000 between the contractor and ourselves. We had about 600 men and the contractor 400. That does not include the men doing the work on the railway itself. I may say that the railway at that time was in excellent shape. We went over it at an average speed of something more than 20 miles an hour, and although I had rather expected it to be a little disjointed and heavy, I found it was in excellent condition. With the amount of work to be done this year I think the road will be in splendid shape to handle the freight that is expected to go out this fall.

Mr. POWER: How many men is it proposed to employ this year?

Mr. MANION: My engineer informs me there will be 2,000 men employed in the middle of summer, but at the present time there are 1,149 men including the railway gangs—because the Canadian National Railways are acting as our agents on the construction of the line—and the men working on the terminal itself.

Mr. McINTOSH: How does that number compare with the number employed last year?

Mr. MANION I thought the number would be about the same, but the engineer tells me that owing to the construction of the elevator and the cribwork we will have more men working than we had last year. He states the figure for last year was about 1,000 while this year it will be about 2,000.

Mr. BEAUBIEN: The hon. member for Marquette (Mr. Mullins) mentioned that he attended several meetings in the constituency of Dauphin and the question of the Mafeking cut-off never was mentioned. I quite believe him. There was no necessity to mention it. Every telephone post, every backyard fence was plastered with posters reading just like this:

If you want the Mafeking cut-off there is only one way to get it—vote Bowman.
Printed by the Dauphin Herald and Press of Dauphin, Manitoba, by the authority of J. N. McFadden, official agent for J. L. Bowman, Conservative candidate.

There was no necessity for the hon. member for Marquette to mention the Mafeking cut-off in that constituency, because, as I said before, these posters were pasted all over the constituency and surely the member for that constituency and the people who are responsible for the Conservative organization there must take some responsibility for these posters. Every man in Manitoba, whether a member, a defeated candidate, or a private citizen knows that the Mafeking cut-off has been one of the chief issues for the last two or three years. I know the preceding government was blamed for not taking the action that many people thought they should take in regard to the cut-off. I do not know whether the Mafeking cut-off is right or wrong, but I feel pretty certain that the Canadian National Railway officials will never endorse it. There is no man in this house could tell us how many people are interested in the Mafeking cut-off other than the hon. member for Nelson himself. He knows it has been a live issue in the north country to get a short line to Churchill, and he knows also that practically everybody in that constituency, starting from Portage la Prairie and going straight north to Le Pas, has been interested in advocating the Mafeking cut-off. Personally I do not agree with them, I think they are wrong.

Mr. MULLINS: I said the Mafeking cut-off was not discussed at any of the meetings I attended or took part in. What was said at other meetings I do not know anything about.

Mr. BEAUBIEN: There was only one thing discussed where my hon. friend held meetings, and that was the cow and the cream can. He had a miniature cream can depicting the old cow outside the building.

Mr. MACKENZIE (Vancouver): Just to verify what was said by the hon. member for Lisgar, I have taken the trouble to get the Free Press files and I find that in the issue of June 28, 1930, the Minister of Railways is quoted as stating at Dauphin on June 27, 1930, that his policy for unemployment would include the building of highways, the St. Lawrence scheme, the construction of the Mafeking cut-off, the finishing of the Hudson Bay railway and many other works.

Mr. POWER: Now is the time to say you were misquoted.

Mr. MANION: Of course my hon. friend from Quebec South knows that nobody could be misquoted more easily than myself, because I speak so rapidly, though I do not think I have ever before accused a newspaper of misquoting me. After all, without offence to the newspapers, I do not suppose any man can speak very often and very rapidly, as I do, without being misreported occasionally. So far as the Winnipeg Free Press is concerned, that is a very fine newspaper, but I should not care to hold myself responsible for everything it happens to say about me. I went into Manitoba for about a week and held a couple of meetings a day. For the first three or four days the Winnipeg Free Press used about half its space in describing what a terrible citizen I was, and I spent about half my time at the meetings in telling what a rotten newspaper it was, so I think honours were about even, though we managed to get more candidates elected than the Winnipeg Free Press did. Without saying they have misquoted me, I have already told the hon. member for Lisgar what I said.

Mr. BEAUBIEN: Was the minister speaking over the radio at that time?

Mr. MANION: Yes, I think I was speaking over the radio, and there was a reporter from the Free Press there as well. I spent some fifteen or twenty minutes paying my compliments to the Manitoba Free Press and telling how often they told untruths about us; I did not have to exaggerate at all because the Manitoba Free Press went the limit on all occasions. On the other hand I did not leave anything unsaid about the Manitoba Free Press, and apparently I said it very successfully.

Mr. RINFRET: Did the radio misquote the minister?

Mr. MANION: No; the results in Manitoba would seem to show that the radio quoted me correctly.

Mr. BEAUBIEN: During the last ten years I have listened to the minister speaking in this house on many occasions, and I know he is very fast but a very pleasant speaker to listen to.

Mr. POWER: Not always.

Mr. BEAUBIEN: His words are not always pleasant, but he has a pleasant voice, and after listening to his speeches in this house and the next morning reading Hansard, we find that everything he said in the house was taken by the reporter just as he said it. I think the Minister of Railways speaks really faster in the House of Commons than he does on the public platform, so I do not see how all these reporters and other people listening could misquote the minister all the time.

Mr. BROWN: Speaking about the Winnipeg Free Press reports of the speeches of the Minister of Railways, I saw one report which I felt at the time must have been a mistake. The hon. member was speaking at some gathering, I do not know where, about the progress that had been made in connection with the Hudson Bay railway, and he undertook to give some credit to the former government for the rapidity with which they had pushed forward the work. I felt that must be wrong, because I had heard the Minister of Railways use all the adjectives in the dictionary in denouncing the incompetence of the former government. I felt that surely that report appearing in the Winnipeg Free Press must be wrong.

Mr. MANION: We might just as well clear up this question of who built the Hudson Bay railway. I will admit to my hon. friend from Lisgar that the Liberals apparently began it. I am looking at the recorded figures of expenditures. The Liberal party apparently began it in 1908 and 1909, and my recollection is that Hon. George P. Graham turned the first sod. I will give the figures of the money spent.

Mr. BROWN: I know there was a change of government in 1911.

Mr. MANION: In 1908-09 the amount spent was $92,000, in round figures. In 1909-10 the amount was $53,000; in 1910-11 it was $184,000 and in 1911-12 it was $159,000. That would be the end of the Liberal regime, because they went out in the fall of 1911. Apparently $184,000 was the highest amount spent in any one of those four years. In 1912-13 the sum of $1,009,000 was spent by the Conservative government, and we spent in succeeding years amounts as follows: in 1913-14, $3,071,000; in 1914-15, $3,256,000; in 1915-16, $2,981,000; in 1916-17, $1,792,000; in 1917-18, $1,288,000; in 1918-19, $641,000, when active construction ceased. In every year during all that period the Conservative government spent very much more than the Liberal government spent.

Mr. MACKENZIE KING: What was there to show for it when it was all spent?

Mr. MANION: Good progress was made on the railway itself to which the expenditures just quoted apply. I will admit that the port at Nelson was not very much of a success, but both parties were agreed as to the selection of that port on the advice of engineers. The terminus was changed to Churchill by my predecessor, not Mr. Crerar but Mr. Dunning, also on engineering advice. The change was made in 1927 and I quite admit that while the late government were in power they spent very large sums of money on this project. In 1926-27, for example, they spent $2,800,000, in round figures mostly on the railway. Then in 1927-28 they spent on the railway and terminal $3,544,000 and in 1928-29, $6,159,000. In 1929-30 it reached $6,396,000 and in 1930-31 they spent $4,175,000. This year we are spending $6,000,000, five millions of which, as already explained, is on the Churchill terminal, including $3,100,000 on the elevator, and the other million for the railway.

I do not wish to go into the political aspect of the question, but certainly during the first four years of the construction of this line, under the Liberal regime, hon. gentlemen opposite spent very little. The real expenditures began in 1912-13, when over $1,000,000 was spent. I will put myself on record here, where I cannot be misquoted, since hon. gentlemen can quote Hansard, as saying that in my opinion both parties have done a great deal of work on the Hudson Bay railway line. I think both parties have rather vied with each other to see which would deliver the goods. We are going to deliver the goods, as a matter of fact; we happen to be in power, and we are going to finish the job, but I think both parties did very good work on the project.

Mr. BROWN: There is nothing in what the minister has said to disprove the statement I made, that the Liberal government began the work on the Hudson Bay railway. That

was the only statement I made. The minister has sought to smother all arguments under a multitude of figures with which I do not disagree. I simply said the Liberal government began to build the Hudson Bay railway.

Mr. MANION: I did not say the hon. gentleman's statement was wrong; I think that is the only statement he made that was right. Most of the other statements he made have been proved to be wrong, but I will admit that the statement he made in this respect was correct.

Mr. BROWN: The minister took a long time in an attempt to disprove a statement which he now admits was correct.

Mr. MANION: The hon. gentleman was on his feet for half an hour, in the course of which he gradually disproved his own statement.

Mr. MACKENZIE (Vancouver): I wish to ask the Minister of Railways a plain, simple question: Did he or did he not promise, at Dauphin or other places, that he would complete the construction of the Mafeking cut-off?

Mr. MANION: I did not.

Mr. MACKENZIE (Vancouver): Anywhere?

Mr. MANION: No, I did not do so anywhere.

Mr. MERCIER (St-Henri): What is the total amount spent on the Hudson Bay railway since 1908?

Mr. MANION: The total expenditure to March 31, last on the railway and terminals combined has been $44,655,722. This years expenditure will bring the amount up to $50,000,000. That includes both railway and terminals, as well as the six millions spent at Nelson. It does not include three millions expended by the Department of Marine.

Mr. BURNS: Mr. Chairman, I think the fact should be emphasized again that the hon. member for Dauphin (Mr. Bowman) is not in his seat to-night. No member of this house has been more faithful in attendance than the hon. member for Dauphin. He was called away suddenly because of illness at home, and I hope his absence has not been made the occasion for certain hon. members of the opposition to make an attack upon him here to-night. I can assure them that the hon. member is away from unavoidable causes, and that the electors of the constituency of Dauphin have no apology to make for sending here a man of the calibre of the hon. member.

Mr. MOTHERWELL: I should like to ask the minister whether it has been determined as yet how the government propose to operate the elevator when it is built. A great majority of the people in Saskatchewan are anxious that it be operated by the government rather than by a private company. I wonder whether anything has been decided with respect to this very important matter.

Mr. MANION: So far as any question has ever come to me, I may say that we have not even considered leasing it to a private company. The department intends to carry on the operation of that elevator just as it has done the elevators at Port Colborne and Prescott. Some elevators are operated by the Department of Trade and Commerce, but unless there is a change of policy, which is not intended, the Department of Railways will continue to operate the elevator to which reference has been made.

Mr. MOTHERWELL: After the minister's courteous reply I should be sorry to introduce a controversial question. I suggest, however, that before my hon. friend repeats the allegation that both parties agreed to the road going to Nelson he should try to confirm that statement by something of a nature which can be accepted as correct. I have discussed the matter many times with the Right Hon. George P. Graham and he always told me that the government, before they went out of power, had refrained from letting the whole contract to Nelson or anywhere else until it should be decided which was the better port of the two. The contract was left for 100 miles past The Pas, and then the matter was left in abeyance pending the completion of that stretch of 100 miles. The government changed in 1911 and the incoming government was entirely and alone responsible for sending the road to Nelson. I wish to be corrected on that point if I am wrong, but I have information direct from the Right Hon. Mr. Graham. I have searched Hansard on more than one occasion for information in contradiction of that statement, but I have not found any evidence of such a character. Perhaps there is no evidence in support of what I have said except the word of the gentleman who was familiar with the conditions at that time. There may be no documentary evidence, and I believe my hon. friend is telling exactly what he believes to be correct; I am not even suggesting that he is misrepresenting the situation. Indeed, the statement has been made so frequently that some people have come to believe it, that both parties were responsible for sending the road to Nelson. But my information convinces me that that is not correct.

Mr. MANION: I should not care to be unjust to Right Hon. George P. Graham, who sat for many years with me in this house and who is now in a quieter and happier atmosphere. I would not do him an injustice under any circumstances because he is a very dear friend of mine and I am fond of him. My information as well as my reading on the subject leads me to the conclusion that no positive decision had been arrived at as to the selection of a terminus until Mr. Cochrane came in.

Mr. MOTHERWELL: That is right.

Mr. MANION: I have read the reports of the engineers and they reported strongly and repeatedly in favour of Nelson. Mr. Cochrane visited Nelson personally and finally that port was selected. I asked the engineer, while my hon. friend was speaking, why it was, if the original construction was not aimed at Nelson, that the road was located as it was. If my hon. friend will look at the map he will see that the road runs almost directly east towards Nelson from The Pas and diverges only after it gets near to that port, swinging then directly north. If it had been the intention of my hon. friend's party when in power to go to Churchill, they need not have taken in two sides of the square; they could have followed a different route. But I do not wish to place Mr. Graham in a false position. So far as I am aware, no definite decision was reached until after Mr. Cochrane came in.

Mr. EULER: Can the minister give an estimate of the quantity of grain that can be carried out of that port in a season of average length, provided the full facilities are utilised?

Mr. MANION: That depends, of course, on the length of the navigation period.

Mr. EULER: The average period.

Mr. MANION: One of the most unpopular pastimes nowadays is the attempt to contract that period unduly when one is discussing western Canada, and personally I am loath to venture an estimate. Some time ago I saw a fine old gentleman there, Bishop Turquetil, who has been in the district for thirty years, and he made an estimate of the open season which I have always regarded as quite reasonable. He says that if you have a very ordinary boat, you are sure of three months' navigation through the straits; if you have a boat of a protected or reinforced type, you may have four months; and if in addition to that you have icebreakers, you may reckon upon five months. After all, conditions in the straits are controlled by the ice which comes in. But let us suppose you have four months of navigation: that would be about 120 days. The elevator is supposed to handle about 500,000 bushels per day, and 500,000 multiplied by, say 100 gives you 50,000,000 bushels. I am informed that there is a maximum capacity of 72,000 bushels per hour, but elevators do not often handle to capacity 24 hours a day, so that 500,000 bushels is a fair estimate, and for 100 days that would be 50,000,000 bushels. There is no reason, however, why one elevator should handle all the traffic.

Mr. EULER: Would the port be capable of handling the output of more elevators than the ones which are being established now?

Mr. MANION: Yes.

Mr. EULER: Does the minister's assumption apply to the season in which grain is produced, or would it overlap into the second season?

Mr. MANION: It would overlap. The season would be probably from the middle of July, extending through August and September and a part of October, perhaps the whole of October. It would run probably from the first of July to the end of October, so that early July would be too soon for that year's crop. The elevator would therefore have to handle the wheat of the previous season.

Mr. EULER: They would not be able to handle, during more than two months, any of the crop of that season.

Mr. MANION: That is a fair estimate, but I do not wish to be dogmatic.

Mr. MOTHERWELL: There is a carry-over at every port, even at the Pacific. At present Fort William has only just begun to empty, and shipping will be going forward until the new crop comes in.

Mr. STITT (Nelson): For the benefit of hon. gentlemen opposite I might give some information regarding the length of season during which it may safely be assumed the port will be open. I have here statements made by captains who have navigated the northern waters and I will give the names and the number of years they have navigated, together with their opinions as to the periods at which the port opens and closes. I may add that I have taken this information from a booklet with reference to the Hudson Bay railway, prepared by the Natural Resources Intelligence department of the government.

The first name that appears on the list is that of Captain F. Anderson, Canadian Naval Service, in command of expeditions, 1911-14.

Years in northern waters, 4; navigation begins July 15 and ends November 15; duration, seventeen weeks.

Next is Captain H. E. Webb, SS. Bonaventure: years in northern waters, two; begins July 25 and ends October 15; duration twelve weeks.

The next name is that of N. B. Saunders, agent of the Department of Railways and Canals. According to Mr. Saunders, navigation begins on August 1 and ends October 28, the duration being thirteen weeks.

Captain William Wakeham of the Department of Marine and Fisheries, who spent several years in northern waters. According to him, navigation begins between July 1 and 10 and ends October 15-20, the duration being between fourteen and sixteen weeks.

Captain M. Bartlett, with Commander Lowe, steamship Neptune, July 31 to November 1, thirteen weeks.

Captain A. Kean, steamship Prospero, August 1 to October 31, thirteen weeks.

Captain C. Couch, Newfoundland, July 15 to October 5, twelve weeks.

Captain C. R. Sinclair, merchant navy, six years in northern waters, three and a half to four months.

Captain Adams, whaler Artic, June 20 to October 25, eighteen weeks.

Admiral Markham, British navy, seventeen weeks.

Doctor Robert Bell, F.R.S., geologist and scientist, June 15 to October 20, twenty-two weeks.

Commander Gordon, July 1 to October 10, twelve to fifteen weeks.

Lieutenant Schwatka, United States navy, two years in northern waters, four months.

A. P. Low, F.R.G.S., July 20 to November 1, fifteen weeks.

J. W. Tyrrell, explorer and engineer, July 15 to November 15, sixteen to eighteen weeks.

W. A. Bowden, chief engineer, Department of Railways and Canals, August 1 to November 1, thirteen weeks.

Captain J. E. Bernier, explorer and navigator, nineteen years in northern waters, seventeen weeks.

Walter Dickson, Hudson's Bay Company, twenty years in northern waters, five months.

Captain Silsby, July 1 to October 31, eighteen weeks.

Captain Thomas McKenzie, whaler, New Bedford, July 15 to October 15, twelve to thirteen weeks.

Captain E. B. Fisher, whaler, East Falmouth, thirteen to fifteen weeks.

Captain T. C. Clisby, fourteen years in northern waters, July 1 to October 31, eighteen weeks.

Captain John Spicer, whaler Grotan, twenty years in northern waters, July to September, thirteen weeks.

The average for the twenty-seven opinions is about seventeen weeks. I believe this evidence was given before the Senate committee which investigated this matter. I could go on and give the committee opinions and information obtained from expeditions such as the Hudson Strait expedition carried on by the Royal Air Force at the request of the government. I could read extracts from the reports which would be enlightening to the committee.

Many people seem to believe that the bay and the strait freeze over, but that is not the case. The bay and the strait never freeze over, although at times the strait is packed with ice. There is a tide of from sixteen to eighteen feet in the bay; a large amount of water has to go in and out of the strait and the current is so strong that it carries the ice away. I have talked with many seafaring captains, men who have sailed the seven seas, and many of them tell me that with proper aids to navigation—I may say that these various expeditions and explorations have been carried on without any aids to navigation—they would rather take a vessel into Fort Churchill or Port Nelson than into Montreal. And yet, I understand, the marine insurance rate on grain out of Fort Churchill has been set at twenty-six times the rate out of Montreal. Many of these Captains consider it more dangerous to navigate the St. Lawrence river than to go through the strait and into Hudson bay.

In order to obtain first-hand information, the government sent a fleet of aeroplanes into the strait in 1927 and 1928 with orders to fly as often as they could during the winter months, to photograph and obtain information as to ice conditions in the strait. A few extracts from the report of this expedition might prove to be interesting to those hon. members who may be a little curious as to the length of time the ice remains in the strait. This expedition had three bases in the strait, and they report that at base B the ice was first seen in 1927 on November 16; at base C it was first reported on December 3, and at base A, on November 30. The planes were flying every day from the bases located at different positions in the strait, and they

were continually taking observations and photographs. This information will probably change the opinions of some hon. members as to the ice conditions in the Hudson strait.

An hon. MEMBER: What page is that?

Mr. STITT (Nelson): That appears on page 15 of the report of the Hudson Strait expedition, 1927-28.

Mr. REID: Has the hon. member any figures as to the rate on grain from Fort Churchill to Liverpool? If we had the rate we would be able to find out whether or not it would be worth while to ship from that port.

Mr. STITT (Nelson): I have read the rate as published in the newspapers, but we cannot always believe such reports. I understand it has been set at something like three per cent, but I am not sure that that is correct.

Mr. REID: It should be known.

Mr. STITT (Nelson): If the committee desires, I can give more data from the report. Any hon. member can secure this book and I am sure it will be found to be very enlightening, especially to hon. members who believe that the strait is frozen over for several months in a year.

Mr. BROWN: The hon. member for Nelson has given us a great deal of information in regard to the Hudson Bay railway, and perhaps he can give us some information in regard to the Mafeking cut-off. It was very significant that the hon. member did not come to the defence of the Minister of Railways when this matter was under discussion. Perhaps he could tell us whether the people in the constituency of Nelson were given the impression that this cut-off was to be completed by the government.

Mr. STITT (Nelson): I will be honest enough to admit that I used the Mafeking cut-off a good deal in my campaign, but I used it only after I was informed that the right hon. the Prime Minister had promised to complete it if it was found to be a practical route. I am a member of the executive of the Mafeking Cut-off Association, and I have worked very hard to have it built and I am still working. I have not only requested but I have insisted on several occasions in writing to the Minister of Railways and Canals that a physical survey be made of this route. I was informed unofficially that an economic survey had been made and that the engineers did not consider it to be a practical proposition. I refused to accept that economic survey because it is nothing more than the opinion of one man, and I do not consider that to be good enough. The Minister of Railways and Canals kept his word to me and put a survey over this route last winter. I inquired a few days ago if he could give me any information in connection with this cut-off, but he informed me that he had not received the report. I am very much interested in getting this work started as I have quite a few hundred unemployed men in my constituency and that would be a good opportunity to give them employment. I do not think any hon. member can state honestly that the government has no intention of building this cut-off. I take it that it will be built if the Canadian National Railway engineers recommend it as a practical proposition. If they say that it is not a practical proposition, I for one will not be unfair enough to ask that the Canadian National Railways throw a lot of good money after bad.

Mr. BROWN: I thank the hon. member for the statement he has made. He said that after he saw the reported speech of the Prime Minister he promised his constituents that the cut-off would be built.

Mr. STITT (Nelson): If it were practicable.

Mr. BROWN: The Prime Minister did not say that.

Mr. STITT (Nelson): That was what was reported to me.

Mr. BROWN: The report of his speech does not show that he said that. Take that in conjunction with the statement of the Minister of Railways that the Prime Minister did not consider it a part of the Canadian National railways, but rather a part of the Hudson Bay railway—

Mr. STITT (Nelson): I never heard that statement made.

Mr. MANION: Did my hon. friend say that I intimated something about the Prime Minister?

Mr. BROWN: The Minister of Railways is reported to have said that the Prime Minister did not consider the Mafeking cut-off as part of the Canadian National Railways, but as a part of the Hudson Bay railway.

Mr. MANION: The Hudson Bay railway at the present time is not a part of the Canadian National railways. If the Mafeking cut-off were built, I should say it would be

part of the Hudson Bay railway, but when all is said and done, that is a matter to be decided later.

May I say one other word on behalf of my hon. friend from Dauphin, who is not here to-night to speak for himself? The hon. member for Lisgar has said a number of times that there were certain reasons why the hon. member for Dauphin was elected. I do not wish to reflect on Mr. Ward at all. He was a very estimable gentleman, but Mr. Bowman was elected over Mr. Ward because the people of the constituency of Dauphin thought him the better man. I was in that riding and I thought him the better man, and evidently the people agreed with me.

Mr. POWER: The hon. gentleman is shifting his ground. He said before that the hon. member for Dauphin was elected because the minister himself had been up there helping him with speeches.

Mr. MANION: They helped to show how good he was.

Mr. POWER: Much as I dislike to depreciate the hon. gentleman in his own estimation, I take it, from what has transpired here to-night and what has been read, that the primary factor in the election of the hon. member for Dauphin was that the Prime Minister had promised that the Mafeking cut-off would be built. I gather that even the hon. member for Nelson, who has just spoken, was under the impression that the Mafeking cut-off would be built. The Minister of Railways as a member of the cabinet is jointly responsible with his Prime Minister for any pledges the Prime Minister gave. If the Prime Minister made that particular statement, and it has not been denied by anybody on the other side of the house, I think it binds the government and binds the Minister of Railways. He is bound by that and by all the other pledges that the Prime Minister gave. It seems to me that the Minister of Railways cannot simply brush this aside by saying: We shall have to consider the matter later. He should make a more definite statement as to whether or not this cut-off is to be built. Knowing the right hon. the Prime Minister, I do not believe he ever made any promise that ended with the words, " if it is practicable," or "if it is advisable," I heard the Prime Minister in the election campaign, and according to him everything he mentioned was practicable and should have been done already. If I remember rightly, I think he said in this particular instance that it should have been done already, and that if he got into power he would do it. He did not talk of the practicability of anything because he can do everything. He said it, and he has been trying to do it ever since, with very little success. I think the Minister of Railways ought to make some definite statement on the attitude of the government with respect to this cut-off.

Mr. MANION: I have made the statement already. I am afraid my hon. friend could not have paid me the compliment of listening. I said that I had directed a survey to be made of the Mafeking cut-off route, that that survey was made last winter, but that we have not yet received the report. I said that so far as the building of the Mafeking cut-off was concerned it would depend on that report, on the attitude of the Canadian National Railways in regard to recommending it, or the reverse; also on the financial condition of the country, and perhaps, on the success of the Hudson Bay railway as well, because it must be remembered that the Hudson Bay railway has not yet been tried out, and until some shipments have gone forward and we have thoroughly tested the route it is difficult to say whether or not the Mafeking cut-off is necessary. We are going to look into the matter. Regarding the promise of my right hon. leader, he is not here to speak for himself, but he can usually speak for himself without my assistance or that of my hon. friend.

Mr. POWER: I would not give him much if I could.

Mr. MANION: My hon. friend is not giving me much either.

Mr. POWER: Oh yes, I am.

Mr. MANION: I stand by any pledge the Prime Minister made, and I think he has carried out within nine months a larger proportion of his pledges than are usually carried out by any leader of a newly-elected government. I say with very great confidence that no leader has ever come into office in Canada who has carried out so large a proportion of his promises in so short a time as my right hon. leader.

Mr. POULIOT: After nine months no child is born.

Mr. POWER: I made a very broad statement when I said I was not prepared to help the Prime Minister. But in view of the barrenness and sterility of the government as pointed out by the hon. member for Témiscouta, I will be quite prepared to help the Prime Minister carry out the second part of most of his pledges—to perish in the attempt.

Mr. MULLINS: I wonder why the hon. member for Lisgar and the hon. member for Provencher do not mention the Mafeking cut-off being discussed on the platform throughout the constituency of Marquette. Marquette is just as much interested as Dauphin is in the Mafeking cut-off, and yet it was never once mentioned in my constituency in any shape or form. It is remarkable that they should talk so much about it in the constituency of Dauphin and not mention it at all in Marquette. The reason is, Mr. Chairman, that more important matters came up for discussion before the constituents of Marquette. They are not interested in narrow political questions. The people of my constituency take a broader view of things. Hon. gentlemen know very well that the trouble with my hon. friend from Lisgar is that so few of the Progressives came back. The right hon. leader of the opposition said in Neepawa that there would not be one of them in the house this year. Well, I give him a lot of credit for that prediction. He showed pretty good judgment, because there are only two of them here, and they would not be here if I had my way. I prefer a good Liberal any time to a Progressive-Liberal.

Mr. MACKENZIE KING: May I direct the attention of the Minister of Railways and Canals to two features of the statement made by the Prime Minister with respect to the Mafeking cut-off? There were two very positive assertions. One was that it was to be a national undertaking. The other was that it was to be an undertaking for the purpose of immediately relieving unemployment. There is no doubt about the present Prime Minister having given that pledge to the electorate, because he did not in any way repudiate it when in his presense I read his statement to the house at the last special session. If the Prime Minister had any cause to take exception to the statement he would have taken exception to it at that time. As a matter of fact, he did quite the opposite. He expressed rather admiration for the number of promises he had made and the care with which I had recorded them. So there is no doubt that the statement I have read was the one made by the Prime Minister to the people of Manitoba. May I ask the Minister of Railways and Canals this question? He says that he is now having a survey made of this route. Does that survey relate to this route as a national undertaking? In the second place, does it relate to this undertaking as a national undertaking for the purpose of immediately relieving unemployment?

[Mr. Power.]

Mr. MANION: If the road is built it will be a national undertaking, there is no question about that, because I do not know anyone else who would build railroads in Canada at the present time. So that part of my leader's pledge will be carried out if the road is built. Secondly, in regard to relieving unemployment, if there is any unemployment at the time of the building of the road it certainly will be relieved. I am not attempting to be facetious at the expense of my right hon. friend. I am simply giving the answer which occurs to me if there is unemployment it will be relieved. If such a promise was made, these are the easiest parts of it to fulfil—at least that is the way it strikes me.

Mr. MACKENZIE KING: Did that promise relate to unemployment last winter or to anticipated continued unemployment in the winter to come?

Mr. MANION: Since we have not begun construction, obviously it does not relate to last winter. Probably it refers to future unemployment.

Mr. MACKENZIE KING: As I regard it, that was only part of the pledge given by the present Prime Minister. The pledge of the party as a whole in reference to transportation matters was contained in the following words:

> We pledge ourselves to the improvement of the whole scheme of Canadian transportation northward by the completion of the Hudson Bay route, and the construction of such branches as may be necessary to render it most readily available to every part of Canada.

Would my hon. friend tell us the branches that are being built at the present time or what branches are being contemplated with a view to carrying out the undertaking given in that particular pledge of the Conservative party as set forth by the Prime Minister?

Mr. MANION: That pledge included the completion of the Hudson Bay railway, and we are carrying out that part of the pledge. At least we are carrying on the work as rapidly as my right hon. friend's government would have carried it on had they been in power. So far as branch lines are concerned, outside of the Mafeking proposal I do not know of any branch lines that are being projected. At the present time of course, the Canadian Pacific Railway and the Canadian National Railway are building branch lines in different parts of the country, but I do not know of any other branch lines. I could name a number of branches that are being built but they come under the estimates of the Canadian National Railways and I have not the list before me at the present time.

Mr. MACKENZIE KING: There is also an undertaking to improve port facilities:

We pledge ourselves to aid existing traffic channels and to increase port facilities on the great lakes, Hudson bay and the Atlantic and Pacific oceans.

One Hudson bay port has been mentioned by the minister. What port facilities at Hudson bay, other than the port terminus mentioned, are contemplated?

Mr. MANION: I think my right hon. friend has not read the sentence correctly because it is obvious that my leader meant the port facilities at Churchill.

Mr. MACKENZIE KING: One place?

Mr. MANION: Yes. I imagine one port would be sufficient to try out the route.

Mr. MACKENZIE KING: Yes, I would have thought so.

Mr. BRADETTE: What about Moose Factory?

Mr. MANION: I understand that the Timiskaming and Northern Ontario Railway are building towards Moose Factory. At the present time we are not doing anything in that vicinity.

Mr. BEAUBIEN: In order that we may have this "Ma-fake-ing" matter, as my hon. friend from Quebec South called it, straightened out, I think we had better read again the statement made by the Prime Minister as reported in the Mail and Empire. Before I do that, however, may I tell the hon. member for Rosetown that nobody on this side of the house made an attack on the hon. member for Dauphin. I think all hon. members have a very high regard for the hon. member for Dauphin. If he was led astray by his leader in regard to the Mafeking cut-off, naturally he cannot be held responsible. No one on this side of the house has said anything disrespectful about him; on the contrary I think all hon. members hold him in the very highest esteem. I am sure, however, that if the hon. member were here tonight he would make the same statement as was made by the hon. member for Nelson; certainly he would not try to camouflage, as the hon. member for Marquette has done. The hon. member for Nelson came out with the straightforward statement that during the campaign he used the argument in connection with the Mafeking cut-off, and he will admit, I am sure, that his statements in regard to that stretch of railway were beneficial to him and secured for him a certain number of votes.

Mr. POULIOT: He is honest.

Mr. BEAUBIEN: What did the Prime Minister say? The Mail and Empire contained the following report of the speech delivered at Brandon by the Prime Minister on June 21, 1930:

Endorsation of the suggested Mafeking cut-off to afford Manitoba a shorter route to the Hudson Bay railway was voiced by the Conservative leader. Supporting the proposal, Mr. Bennett said that this would be a proper national undertaking to be started to relieve unemployment, and he asserted such was his intention.

Let me read that statement again. I would ask the Minister of Railways to pay special attention:

Mr. Bennett said that this would be a proper national undertaking to be started to relieve unemployment, and he asserted such was his intention.

When the Prime Minister said it was a proper undertaking to relieve unemployment, he was not anticipating unemployment during the coming winter because he made the statement that he would end unemployment. In fact the Minister of Justice said he would end it in a much shorter time than promised by the Prime Minister. I shall read this statement again, because I know the minister will understand it if it is read three times.

Mr. MANION: I hope my hon. friend himself understands it.

Mr. BEAUBIEN: I have understood it for a long time, but the minister has tried to avoid the issue. I have before me a statement referred to by the hon. member for Lisgar and said to have been made by the hon. minister himself. I listened to it over the radio.

Mr. MANION: Does my hon. friend mean to tell me that he paid me the compliment of listening to my speech over the radio?

Mr. BEAUBIEN: I certainly did—when I had nothing else to do.

Mr. MANION: I wish my hon. friend had profited by what I told him. If he had he would not be sitting over there.

Mr. BEAUBIEN: The Minister of Railways was billed to speak in my own home town. On that occasion a rainstorm did not stop him, because we have hard surfaced roads.

Mr. MANION: I assure my hon. friend it was not because I was afraid to go into his riding.

Mr. BEAUBIEN: I should have been pleased to extend to him a welcome.

Mr. MANION: I will come next time.

Mr. BEAUBIEN: I would have extended to him a personal welcome. Now, I have not read this statement the third time, and probably I had better do so:

Mr. Bennett said that this would be a proper national undertaking to be started to relieve unemployment, and he asserted such was his intention.

Mr. MACKENZIE (Vancouver): Here endeth the third lesson.

Mr. BEAUBIEN: When the Prime Minister made that speech he was considering the unemployment situation which existed at that time. As I said before and now repeat, the Prime Minister said he would end unemployment, so it is obvious he was not contemplating unemployment during the coming winter. It seems to me that the Minister of Railways and Canals, as the head of the department, is in duty bound to carry out the pledges of his leader.

Mr. MANION: Would my hon. friend suggest that in building the Mafeking cut-off we should start to build a road through the bush without a proper survey?

Mr. BEAUBIEN: But the minister had that information before.

Mr. POWER: Absolutely; the Prime Minister should have known that before the promises were made.

Mr. MANION: We would have known it had my hon. friend's government made the survey that we were making last winter.

Mr. BEAUBIEN: Will the Minister of Railways let me finish my speech? I know he does not like to listen, but I am making statements because they are true. When the Prime Minister made his Brandon speech he led the people to believe he intended to construct the Mafeking cut-off in order to relieve unemployment existing at that time. He was referring not to unemployment that is going to exist three or four years from now, but to unemployment that existed then. Now the Minister of Railways asks: Do I expect that the Department of Railways could have started building the Mafeking cut-off last year? Why certainly they could.

Mr. MANION: Without a survey?

Mr. BEAUBIEN: The Canadian National engineers had made some kind of survey.

Mr. MANION: They had not.

Mr. BEAUBIEN: Was the Prime Minister going to build this railway without making a survey?

[Mr. Manion.]

Mr. MANION: The Prime Minister did not say he was going to build it without a survey. According to the report that my hon. friend has read, the Prime Minister said he would complete the Mafeking cut-off; but the Prime Minister is a man who has had a very wide experience both in business and in politics, and he certainly would not suggest building a road without a survey through the bush where even the feasibility of the road is disputed. I do not think anyone with any sense would suggest it.

Mr. BEAUBIEN: The Prime Minister has had a great deal of experience in politics and in business, and he has had a tremendous amount of experience in promises. He led the people to believe that he was going to start this Mafeking cut-off, and if he intended to build it knowing no survey had been made, he is much more of a superman than I think he is. No, Mr. Chairman, the Mafeking cut-off was a vital issue in the province of Manitoba, and the promise made by the right hon. Prime Minister to build it deprived several gentlemen who are not supporters of his from sitting in this house to-day, because he and his Minister of Railways led the people to believe that they were going to start that cut-off immediately. The words of the Prime Minister that I have quoted prove it beyond any question of doubt. I do not care what interpretation you put on those words, you cannot change their plain meaning that he was going to start the Mafeking cut-off in order to relieve the unemployment that then existed there.

Mr. MACKENZIE KING: May I point out to my hon. friend what the Prime Minister did say with reference to this as well as to other promises? Speaking in the special session, as reported in Hansard of September 9 at page 38, he said:

It must be remembered that promises with respect to policies are matters of profound importance to the Canadian people, and the policies we promised to put into effect we propose to put into effect immediately.

There was no reference to a year hence; it was to be done immediately.

When the right hon. gentleman—

Referring to myself.

—placed upon Hansard the speeches which I made, I am bound to say that they read much better than they sounded when they were delivered. and I congratulate him upon the process of education to which he this afternoon has subjected his followers. It is a matter of profound satisfaction to me to know that so many of them think as I do upon the matters to which he referred.

That was the statement made by the Prime Minister in this house with reference to this among other promises. Is my hon. friend as a member of his right hon. leader's administration going to repudiate at this time the promise that the Prime Minister made, and which he admitted he made by the very words that I have read? It seems to me this is a matter that cannot be dealt with lightly. This was a very large undertaking, it was an undertaking described by the Prime Minister himself as a "national undertaking." It was so described in relation to the most serious problem with which Canada was confronted at that time, and the promise was made to the electorate in order to win him support, and undoubtedly he did get support on the strength of that promise. Now my hon. friend cannot get away from a promise of that kind by saying that the Prime Minister is not in his seat. He is one of his colleagues and is the one primarily responsible for matters affecting railways. I submit he ought to say quite frankly to the house and to the country either that this is one more of the promises intended for nothing except to get the Conservative party into office, or that this railway is going to be proceeded with as a national undertaking as was promised by the leader of his party in the last election.

Mr. MANION: Mr. Chairman, I do not intend to repudiate any of the promises made by my right hon. leader. Whatever promises he made I have no doubt he will carry out. So far as this work is concerned, a survey has been made, and that is as far as we can go at the present time. What will be done in the future I have already indicated to the committee. In regard to promises, I do not wish to bring up political issues, but it must not be forgotten that my right hon. friend made many promises in the past, and I can recall some that he paid very little attention to later on.

Mr. MACKENZIE KING: May I say that that is not an answer to the present case.

Mr. MANION: Perhaps not.

Mr. MACKENZIE KING: And may I go so far as to say that I made no promises that were not carried out.

Mr. MANION: I cannot agree with my right hon. friend. What about the ringing tones in which he promised to reform the Senate in speeches he made from one end of Canada to the other during the election of 1925-26? The only reform of the Senate he attempted was to put a few more reformers into that chamber. But surely that is not what the right hon. gentleman meant when he preached Senate reform. I am sure he would be the last to claim that that was his intention. However, I do not wish to go into the question of broken promises, but I repeat that, so far as my right hon. leader is concerned, any promises he made that affect my department, to the extent that I am able I intend to carry out, including the promise in question, but I may tell the house and the country that until we get the report on the survey I have no thought of spending a dollar.

Mr. BEAUBIEN: Will the Minister of Railways be kind enough to tell me what unemployment the Prime Minister meant when he said "the undertaking to be started to relieve unemployment?"

Mr. MANION: Surely my hon. friend does not expect me to tell him what the Prime Minister meant by a passage from a speech which may or may not have been properly quoted. I did not hear the speech.

Mr. BEAUBIEN: But he admitted in this house that he was properly quoted.

Mr. MANION: I do not think so. I heard him reply to the right hon. leader of the opposition who had quoted certain promises, and he did not take them up seriatim, he simply dealt with them in a general way as indicated in the quotation which my right hon. friend gave the house a minute ago. I do not know what my right hon. leader had in his mind in regard to unemployment at that time. I have not any doubt that if the Mafeking cut-off had been built then it would certainly have helped to relieve unemployment. And when it is built, particularly if my right hon. friend should be in power, it will undoubtedly help to relieve unemployment, as it would if we were in power and we built it.

Mr. BEAUBIEN: But surely if my hon. friend's right hon. leader felt certain he was going to be placed in power he would not anticipate any unemployment after he had been in power a reasonable length of time. The plain implication of the words of the Prime Minister lead me to believe that he meant to start the Mafeking cut-off immediately in order to relieve unemployment; because he said in his campaign speeches that he would end unemployment, and I believe he was sincere. I think he sincerely believed that after he was in power a short time unemployment would be at an end. I believe he was sincere when he said, "As soon as I have a chance to put my tariff policies in force unemployment will end." So in the

speech he made at Brandon, when he said this work would be undertaken to relieve unemployment, he really inferred beyond any question of doubt that he intended to start that work immediately in order to relieve the unemployment which existed at that time. That is my belief.

Mr. HAY: I take issue with the statement of the hon. member for Provencher that the Mafeking cut-off was a live issue in the province of Manitoba. It was not a live issue in Manitoba during the last election; it was not a live issue in the constituency of Springfield, in the constituency of Selkirk or even in the city of Winnipeg. To some extent Winnipeg is interested in the Mafeking cut-off, but only as a temporary expedient to provide a shorter route to the bay until a more direct route can be provided. At the present time Winnipeg is interested in a direct route between the lakes and Hudson bay on the east side of lake Winnipeg. That is what Winnipeg wants and that is what the eastern portion of Manitoba wants and expects. That is what we intend to press for. The hon. member for Marquette stated that this was not a live issue in his constituency, which is much further west than the city of Winnipeg, so on the whole I think I am safe in saying that the Mafeking cut-off was not a live issue during the last election.

I must take exception also to the statement of the hon. member for Lisgar, in which he gave the Liberal party credit for the construction of the Hudson Bay railway. Some four years ago the Conservative party in Manitoba started to build the Hudson Bay railway, and actually concluded the construction of some forty miles of line at that time. The hon. member for Marquette was a member of the Manitoba legislature then, I believe. Because of financial difficulties the project was not completed; Manitoba was sparsely settled at that time and the money available was limited. As a result we were unable to carry out the project, but the Conservative party have always stood for the development and upbuilding of Canada generally. Our faith was illustrated by the construction of the Canadian Pacific railway, and it always has been stronger, with respect to the development of Canada, than has been the faith of the Liberal party.

I do not wish to delay the estimates, but I felt that I must set the hon. member for Provencher right in that respect.

Mr. EULER: To change the subject for a moment, I should like to ask the Minister of Railways what I regard as more or less of a practical question. The minister stated some time ago that the total cost of the road would be something over $50,000,000, which I think the committee will agree is a very substantial sum.

Mr. MANION: That includes the road and the terminals.

Mr. EULER: Quite so. The primary purpose of the road, I think, was for the movement of grain from the prairie provinces to Great Britain, so I should like to ask the minister if it is possible for him to say—although I do not desire to press him too much—whether the cost of moving a bushel of grain from any point in the prairie provinces to the British market by the Hudson Bay route is less than the old route, and if so what is the difference.

Mr. MANION: I am afraid I cannot say. Even the test movement has not been carried out, and I imagine we will not be able to judge fairly for at least a year or two to come. Many considerations are involved. There is no doubt that under the Crowsnest pass rate, the movement of grain through Churchill will be shorter than via the head of the lakes and Montreal, but at the same time there are other questions to be considered. There is the question of insurance, which is very important, and there is the question whether or not it will be possible to charter vessels, though I believe there will be no great difficulty about that, for three or four months in the year at least. Probably the big question is that of insurance, and as to that much will depend on the results achieved in the operation of the route. After the ships have been coming to Churchill for a year or two, if it is found that there is reasonable freedom from accidents, and that ships can come in and out without difficulty, no doubt the insurance rates will come down immediately. The rates on the St. Lawrence formerly were very much higher than they are to-day, and that is true of any new route. It all depends on experience. If experience shows this to be a safe route the rates will come down. Every effort will be made to make the route safe and I do not think there will be any difficulty in entering or leaving the harbour during a certain number of months of the year. Hudson strait is 600 feet deep and very wide; there will be modern aids to navigation, and so long as there is no ice there should be no difficulty in the way of ships entering or leaving. Once the experiment is started and successfully carried on for a couple of years, there is no doubt

that insurance rates will be reduced to what we might call a normal basis.

I might just add that very often, since I was a boy in school, we have been mistaken in our judgment of northern Canada. So often we have found that some section of the north, which we looked upon as an Arctic region capable only of raising Eskimos and polar bears, had many other possibilities. So I should not be surprised to find that the Hudson Bay route may be quite successful. I have been in this house for some fourteen years, and although I have been interested in the matter, and rather against it, living at the head of the lakes, I have never raised my voice in or out of this house in opposition to the project. As a Canadian I sincerely hope it will be a success, though it may take a certain amount of traffic away from the port from which I come. Having spent over $50,000,000, for which both parties are responsible, it would be too bad if the route were not something of a success at any rate. I know my hon. friend feels just as I do in that connection.

Mr. BEAUBIEN: The hon. member for Springfield said a few moments ago that the Mafeking cut-off was not a live issue in the province of Manitoba during the last campaign. I was just referring to the remarks of the hon. member for Nelson, and the hon. member for Springfield must know that resolutions were passed by a great many boards of trade and strong influence was brought to bear to have the Mafeking cut-off constructed. During the last session our mail was flooded with petitions in regard to that cut-off, so it cannot be said it was not a matter of great interest. The controversy in the newspapers between the hon. member for Nelson and Hon. T. A. Crerar will prove beyond question that the cut-off is a live question in the province of Manitoba. It might not have been so important in my hon. friend's constituency; probably it was not so much to the front in my constituency, but to a large extent it was a provincial issue.

I should like to ask the minister if the right of way has been surveyed, or how far the engineers have gone.

Mr. MANION: I am sorry I have not that information. I have not any report at all, except that the engineers have made their survey.

Mr. BEAUBIEN: Would the minister expect a report during the session?

Mr. MANION: I do not know. To be perfectly frank, I have not inquired, but I know I have not received the report. I may tell my hon. friend I am not in any particular hurry for the report. I am not rushing it, but neither have I asked the railway to delay it. The engineers have been instructed to make that report; I understand they have completed their work, and it is up to them to hand in their report when the time comes. After this discussion I imagine they will get it in.

Mr. BEAUBIEN: If the Minister of Railways has not taken very much interest in the project, as he admits himself, then he is not in any great hurry to carry out his leader's promise.

Mr. BROWN: I wish to place before the committee again what I regard as the essential feature of this situation. The Hon. T. A. Crerar went to Dauphin on July 19, 1930, and made a statement on the government's policy at that time. He made what might be called a conditional promise with reference to the Mafeking cut-off. He said:

> I am not here to tell you the Mafeking cut-off will be built. The Mafeking is a branch line from one point to another on the Canadian National railway, and is not a departmental matter. I cannot ask parliament to advance money to build this road unless it is recommended by the directors of the Canadian National Railways. A study is being made of all phases, and if the directors of the Canadian National Railways recommend this construction I will give the matter consideration. From the standpoint of freight rates the Mafeking cut-off should not be built.

After the Hon. Mr. Crerar had made that speech it was felt that he had thrown cold water upon the campaign of the Liberal candidate in that constituency. The Minister of Railways has made the statement that the people of Dauphin chose the present member for the constituency rather than the former member because they considered the hon. gentleman a better man. Now I am not going to institute any comparison between the two gentlemen, for I have not heard anything to the detriment of either of them. But the Minister of Railways knows perfectly well that often it is not the personality of a candidate that determines the outcome of an election; it is the policies of the government or of the opposing party. And it was the policy of this government as enunciated by the present Prime Minister with reference to the Mafeking cut-off that determined the election in the constituency of Dauphin. The Hon. Mr. Crerar made a statement there and the Minister of Railways went at a later date and made another statement. These two statements were before

the people of Dauphin, and if the Hon. T. A. Crerar had made the same sort of speech as the minister has made to-night, there would have been no difference between the policies of the two parties. But it is well known, and the hon. member for Nelson has admitted it, that it was on the representations made by the present Prime Minister and the Minister of Railways in regard to this matter that the people of Dauphin made their choice as between the two candidates. The statement made by the Minister of Railways at that time was not a conditional promise. The people accepted it as unconditional, and, comparing it with the conditional statement made by the Hon. Mr. Crerar, they acted accordingly. I say, therefore, that the present member for Dauphin sits in this house because of the promise made in regard to the Mafeking cut-off by the present leader of the government and his Minister of Railways.

Mr. MANION: I might suggest that Mr. Crerar, the late Minister of Railways, was not accepted even in his own constituency.

Mr. BROWN: That has nothing whatever to do with it.

Mr. MANION: He was beaten by 2,000 in a constituency that knew him well, so that they did not pay much attention to his promises of any kind. I followed him even in his own constituency and he was not very careful in his language. We knew him in this house. I sat with him in this house for a number of years and he was not any more particular with his promises than my hon. friend from Lisgar—or myself—

Mr. BROWN: Speak for yourself; don't speak for me.

Mr. MANION: He was not as good a politician as my hon. friend; the results show that. He was not thought very much of in his own constituency.

Mr. BROWN: Camouflage.

Mr. MANION: At any rate, the results show that the people of Dauphin thought that Mr. Bowman and not his opponent should be here, and we shall have to stand by that for a while.

Mr. MACKENZIE (Vancouver): This is a considerable item—$6,000,000—for the Hudson Bay railway and terminal, and under it I presume I am at liberty to discuss the general railway situation. As this is probably the only opportunity I shall have for the purpose, I wish to refer the Minister of Railways to pledge No. 5 in the Prime Minister's famous Winnipeg speech. This reads:

We pledge ourselves to the improvement of the whole scheme of Canadian transportation northward by the completion of the Hudson Bay route, and the construction of such branches as may be necessary to render it most readily available to every part of Canada; to the Pacific slope by a Peace river outlet, and east and west by the development of the St. Lawrence waterways.

I had fondly hoped, Mr. Chairman, that there would be in the estimates some amount to implement that pledge given by the Prime Minister in his famous keynote Winnipeg speech in regard to the Peace River situation; and much as I am impressed by the representations made by hon. members from Manitoba with reference to the Hudson Bay route, I wish to impress upon this house the fact that, as a national asset to Canada, the development of the Peace River outlet is of far more consequence than the development of the Hudson Bay terminals, because there is no question in the world—

An hon. MEMBER: Be careful.

Mr. MACKENZIE (Vancouver): I am being careful. I am going to support this item, but I wish at the same time to impress upon the house the fact I have just stated, that, as a national asset, the development of the Peace River outlet is of more importance than the construction of the Hudson Bay terminal upon which we are spending, according to the minister, the gigantic sum of $50,000,000, for a limited season ranging from twelve or thirteen weeks to a maximum of fifteen weeks a year.

Now, I do not want the Minister of Railways to come back with the statement that the late administration was in power nine years and did not carry through the Peace River outlet scheme. We have a new administration in power to-day, and the present Prime Minister's clearcut and explicit promise has been given with respect to the matter. He gave a specific promise in that pledge, No. 5, to proceed with the Peace River outlet. Let me point out to the minister that we are not dependent on the Pacific coast upon a landlocked port, open only three or four months of the year. In the city of Vancouver, at Prince Rupert and at Stewart in the far north we have three beautiful harbours, among the finest in the world, to any one of which this outlet could be constructed.

Mr. MANION: I do not wish to interrupt my hon. friend, because he is a delightful speaker. But I would point out to him that the Peace River outlet hardly comes under the Hudson Bay vote.

Mr. MACKENZIE (Vancouver): I am coming to that.

Mr. MANION: I am not averse to discussing it, although it is now nearly eleven o'clock, but the hon. member is really out of order in dealing with the question under this vote.

Mr. MACKENZIE (Vancouver): My only reason for bringing it up now is that, before I can support this item of $6,000,000, it is necessary that I should have a declaration of policy from the Minister of Railways in regard to that pledge given by his leader. I have read the pledge; it is No. 5. If the Minister of Railways is not prepared to unfold to parliament and the country the intentions of himself and of the administration in regard to the Peace River outlet, then I think it is incumbent upon this house to leave this item over until the Prime Minister is in his seat; because those of us, on both sides of the house, who have come from British Columbia, are absolutely pledged to work night and day for the construction of this Peace River outlet, which is a most vital question to us. And it is really not a political question.

The CHAIRMAN: Does the hon. member really think it comes under this item?

Mr. MACKENZIE (Vancouver): Yes, Mr. Chairman. I am discussing the relative merits of this vote of $6,000,000 and the Peace River outlet. An item can be discussed in two ways, either absolutely or relatively by comparing the proposal involved with other projects. I am discussing this item in the latter way.

The Minister of Railways came to the city of Vancouver and made speeches just as facile and voluble as the one he delivered in Dauphin on June 27, when he pledged himself to start the construction of this Mafeking cut-off. However, his remarkable lucidity, facility and volubility of expression did not avail him very much.

An hon. MEMBER: You were there, that is the reason.

Mr. MACKENZIE (Vancouver): Is the hon. minister now in a position, remembering the declaration of the Prime Minister during the special session that all these promises were to be implemented immediately, to inform the committee and the province of British Columbia, which is most vitally interested, what the policy of the administration is going to be, either now or in the near future, in regard to the construction of an outlet from the Peace River area to the Pacific ocean?

Mr. MANION: If my hon. friend will take this matter up on the railway estimates I will give him a statement. The matter of a Peace River outlet is being investigated by the two railways. I think my hon. friend heard me state in the house that a report had been made by the Canadian Pacific Railway Company. I have a copy in my office, although I have not the company's permission to table it, but when Mr. Beatty returns from England he and Sir Henry Thornton are to meet in my office early in June to discuss the whole question.

The CHAIRMAN: This discussion is out of order, because speeches in committee must be directly relevant to the item under consideration.

Mr. MERCIER (St. Henri): It can serve as a notice of motion.

Mr. RINFRET: Mr. Chairman, I think it is within the knowledge of every hon. member who has sat in this house for any length of time that it is relevant to point out in regard to certain proposed expenditure that some other expenditure might have been undertaken somewhere else. Otherwise there would be no opportunity for an hon. member to complain that a certain work had not been undertaken in his own riding. Where would be the opportunity for an hon. member to ask questions with reference to a public work in, or affecting his constituency, not provided for in the estimates, unless in connection with an item covering a similar work in some other part of the country? I submit that the hon. member for Vancouver Centre is perfectly in order.

The CHAIRMAN: The hon. member by his remarks has confirmed me in my opinion. Ample opportunity is afforded to discuss any item which is submitted, and every reference must be strictly relevant to the item under consideration. I rule this discussion out of order on the ground that it is irrelevant. I base my ruling on standing order 58, paragraph (2), which reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Mr. MACKENZIE KING: With all due deference to you, Mr. Chairman, I must say that this house is representative of all parts of Canada, and an hon. member from eastern Canada or an hon. member from western Canada is hardly in position—

Mr. GUTHRIE: Do I understand that you have ruled, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. MACKENZIE KING: We will appeal from the ruling.

The CHAIRMAN: All those in favour will please say "aye".

Mr. NEILL: I rise to a point of order. The appeal is made not to the committee but to the house.

The CHAIRMAN: I am putting my ruling into writing for the purpose of reporting to the Speaker, so that the hon. member's point of order is not well taken.

Mr. POULIOT: May I make some observations in the meantime?

The CHAIRMAN: I am sorry, but I cannot allow that.

Mr. POULIOT: It would distract the committee and you would be interested in hearing my observations.

The CHAIRMAN: I am sorry to disappoint the hon. member.

And Mr. Speaker having resumed the chair:

Mr. SPEAKER: It is moved by the hon. Minister of Railways and Canals (Mr. Manion), seconded by the hon. Minister of Public Works (Mr. Stewart) that the committee report progress—

Mr. LAPOINTE: There is no report, Mr. Speaker.

Mr. MACKENZIE (Vancouver Centre): There was no motion made; the committee rose to appeal to the house from a ruling of the Chairman.

Mr. LAPOINTE: It is eleven o'clock.

Mr. SPEAKER: It being eleven o'clock, this house stands adjourned until to-morrow afternoon at three o'clock.

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

Friday, May 22, 1931

The house met at three o'clock.

ORLEANS ISLAND—BEAUPRE BRIDGE

Mr. A. U. G. BURY (East Edmonton) presented the second report of the select standing committee on standing orders, as follows:

Your committee have had under consideration the fifteenth report of the clerk of petitions, presented to the house on Wednesday, 20th May, together with the petition of the government of the province of Quebec; praying for the passing of an act respecting the construction of a bridge over the river St. Lawrence, between the island of Orleans and the coast of Beaupré, within the said province.

Evidence adduced before your committee shows that final approval authorizing the construction of the above named bridge was not obtained until 15th May. Immediately following such approval steps were taken to present petitions to the parliament of Canada; such action, however, was effected after the expiry of the time fixed for recovering petitions in this house.

Your committee therefore recommend that standing order 92, in relation thereto, be suspended and the said petition be received.

Mr. BURY moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

PRECEDENCE FOR GOVERNMENT BUSINESS ON AND AFTER MONDAY JUNE 1

Right Hon. R. B. BENNETT (Prime Minister) moved:

That on and after May 25, next, and all subsequent Mondays till the end of the session, government notices of motion and government orders shall have precedence over all other business except questions and notices of motions for the production of papers.

He said: Mr. Speaker, this notice of motion stands in my name as of May 18. In view of representations that have been made to me I would like to move that the date be changed from Monday, May 25, to Monday June 1 next, so that next Monday will be the last day for private members' legislation. Owing to the interruption of one Wednesday and the desirability of affording ample opportunity to private members I move, seconded by Mr. Guthrie:

That on and after, Monday, June 1, next and all subsequent Mondays till the end of the session, government notices of motion and government orders shall have precedence over all other business except questions and notices of motion for the production of papers.

Motion as amended agreed to.

VOCATIONAL EDUCATION

PROPOSED ANNUAL EXPENDITURE OF $750,000 CONDITIONAL UPON AGREEMENTS WITH PROVINCES

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to bring in a measure to provide for the promotion of vocational education in Canada, and to appropriate the sum of $750,000 per annum for fifteen years for such purpose, payments to be made conditional upon agreements with the respective provincial governments.

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

Motion agreed to.

RADIO LICENCES

APPLICATION OF BORDER CITIES STAR FOR PERMIT TO OPERATE BROADCASTING STATION

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Before the orders of the day are called may I say that at page 1844 of Hansard I observe my colleague the Minister of Marine (Mr. Duranleau) stated last night that he had communicated certain information to the Border Cities Star and that they appeared to be satisfied with the granting of a radio licence to another applicant. As a matter of fact when that statement was made I was not present in the house. I desire to inform the chamber at this time that a representative of the Border Cities Star, Mr. H. A. Graybill, the local representative of that paper, saw me in my office in this building and objected to the licence being granted. Having ascertained when the communication was sent out to the successful applicant I did not communicate further with my colleague and he was not fully cognizant of the fact when he stated no objection had been made by the paper. Mr. Graybill has sent me a telegram reminding me of that communication. If I had been present last night I would have been able to communicate the information that he did make a protest to me accompanied, as he was at the time, by a local representative of the paper.

WORLD WHEAT CONFERENCE

INQUIRY AS TO OFFICIAL STATEMENT OF PROCEEDINGS AT LONDON MEETING

On the orders of the day:

Mr. H. E. SPENCER (Battle River): I would like to ask the Prime Minister if he would be prepared to-day or next week to make a statement respecting the wheat conference being held in London, England?

Right Hon. R. B. BENNETT (Prime Minister): The daily press gives a record of what transpires from day to day at the conference. At the close of each day's business the High Commissioner has sent a communication which in no sense has amplified what has appeared in the press. When the conference closes I shall be glad to give the house any information I may receive in connection with the conference.

PRIVILEGE—MR. MACKENZIE KING

PROPRIETY OF CERTAIN QUESTIONS APPEARING ON THE ORDER PAPER

On the orders of the day.

Right hon. W. L. MACKENZIE KING (Leader of the Opposition): Recently on a matter of privilege I drew attention to the appearance on the order paper of certain questions which to my mind should not have been permitted to be placed on the records of the house. To-day one of these questions continues to appear on the order paper. It is under date May 15, and is question 23, asked by Mr. Lafléche. It is as follows:

1. During the term of office of Hon. Rodolphe Lemieux, as Speaker of the House of Commons, were certain pieces of furniture, the property of the state, transported to his summer residence, at Point au Pic, Quebec?
2. If so, what were said pieces of furniture?
3. Has said furniture been returned?
4. If so, at whose request?
5. Who paid for the transportation of the said furniture?

To any one not familiar with the facts the question I have read would, I submit, leave the impression that certain furniture had been taken by the former Speaker from the House of Commons to his summer residence, had been brought back to the speaker's apartment in the city and that transportation had been paid by the state. To-day the Hon Senator Lemieux called upon me at my office and asked me to make the very positive statement that at no time was any furniture taken from the Speaker's apartment to his summer home during his term of office or at any other time, and of course that there was no transportation of furniture one way or the other at the expense of the state. If the question in the form it is put were not protected by the privileges of parliament it would constitute a libellous statement.

Mr. BENNETT: Oh, no.

Mr. MACKENZIE KING: It is equivalent to such.

Mr. BENNETT: Oh, no.

Mr. MACKENZIE KING: Any person reading the question would consider it a very serious reflection upon the character of the former Speaker of the House of Commons. I do not think it should be allowed to remain on the order paper, particularly in view of the statements I am now making to the house in the name of the former Speaker as to the true facts of the case.

In the same connection, to indicate the injustice of these questions, simply as questions, I would say that yesterday a question was answered relating amongst other matters to the automobile used by the former Speaker. One would have thought from the wording of the question that the automobile used by the former Speaker had been the property of the state, whereas, as a matter of fact, the answer to the question made clear the fact that the automobile was the personal property of the Speaker himself. It was

purchased by the Speaker himself. Meanwhile owing to headlines in the press arising out of the question a different impression has gone abroad, one which the reply may never serve to overtake. Similarly there has been a question regarding the payment of servants of the former Speaker. The hon. Senator Lemieux advises me that before he assumed the office of Speaker he obtained from the Sergeant at Arms a memorandum with respect to the staff of His Honour the Speaker and the perquisites of the office generally and that during his term of office he acted entirely in accordance with the memorandum then given to him, a copy of which I have in my hand at the present time. As Your Honour knows in former years the residence of the Speaker was part of these houses of parliament. After the fire which destroyed the then House of Commons and incidentally the residence of the Speaker, His Honour the Speaker made use of a private residence as the residence of the Speaker, but was allowed some equivalent for service and the like. If a definite allowance were not given, certain perquisites were allowed with respect to servants and other incidentals in an attempt to equalize the position of the Speaker as it had existed formerly when the premises of the Speaker were connected immediately with the House of Commons. As regards servants employed, the then Speaker was but following the traditions of the house since we have had a parliament. It is a great shame that questions of the kind, which through what they carry in the way of innuendo reflect upon one who was three times elected speaker of this house, should be permitted to be circulated through the press, and I would ask that certainly as respects the one question which remains Your Honour give instructions that it be deleted from the records of the house.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I do not think that you or anyone else has the right to delete from the order paper of parliament any question that affects the expenditure of public moneys. One may doubt the propriety of putting the questions, but three of them touch the expenditure of public moneys. The Auditor General's report will indicate who got the moneys and what they were spent for, and the circumstances may be inquired into by the public accounts committee. It may not be desirable—and with respect to that I think perhaps there is a little difference of opinion between the right hon. gentleman (Mr. Mackenzie King) and myself—to make inquiries by way of questions as to these expenditures when the method for doing so is provided through the public accounts committee, where it may be determined what moneys have been expended in connection with the maintenance of the Speaker's quarters and the circumstances under which they were so expended. I would certainly think that that was a matter which being in the Auditor General's report should be dealt with before the public accounts committee.

Question 23 has now been answered by the right hon. leader of the opposition (Mr. Mackenzie King). I do not think it is a proper question, for another reason altogether—that there is nobody I know of who would be in a position to answer it except the former Speaker himself, unless it be some official of the House of Commons.

In that regard it may be explained that there was some feeling in this country last year in connection with the attitude of the former Speaker of this chamber, who retained the exercise of his powers as Speaker even after he had become a senator and who participated in the campaign which culminated in the election of July 28. I can readily understand the curiosity of people, whether legitimate or not, to determine if the former Speaker, having been appointed to the upper house of this parliament, was continuing to exercise control over the expenditures of this house. That question has been seriously raised in this country, and the return that was furnished the other day indicated—there is no dispute about it—that the former Speaker of this house, now Senator Lemieux, did continue to exercise control over the expenditures of this house until the meeting of parliament in September last. Under those circumstances that answer is part of the records of parliament that he so controlled those expenditures. It is said that the statute enabled him to do so. It may be that that is the proper interpretation of it. I am not expressing any opinion at the moment. I had my attention directed to it by several correspondents who wanted to know who was Speaker of the House of Commons and how control and direction of the staff should be continued by a gentleman who had been removed from our midst and appointed to the upper chamber.

I would point out that the question in the form it is asked is not libellous. It does not insinuate or assert that public moneys have been spent; it asks if certain pieces of furniture were taken to the summer residence of the Speaker.

Mr. MACKENZIE KING: It is untrue.

Mr. BENNETT: The right hon. gentleman says it is untrue. I say the question is asked; there is no assertion made that it is so.

Mr. MACKENZIE KING: The form of the third question "has said furniture been returned?" would lead anyone to assume that the furniture had been taken.

Mr. BENNETT: Surely you must read the second question with the first. I am bound to say with the right hon. gentleman that I would prefer that the question had not been there, but I do not think it is a question that can be summarily disposed of in that way. I will give the reason why—the further question, "Who paid for the transportation of the said furniture?" My right hon. friend says that that question and question No. 3 are not sufficiently inquisitorial, that they are statements rather than questions, and with that view I confess I do not wholly disagree except that the questions should be read together as a whole. I quite agree the question as a whole should be now dropped from this order paper. I feel that the third and fifth questions should be preceded by the words "if so." Those questions, in terms, are not different from the questions which appear in courts of equity on interrogatories. I certainly think that the question can properly be dropped, but I desire to say very emphatically that there is no uncertain view held by many people in this country, and I am one of them, as to how the direction of the expenditures of this house and its administration could be carried on by one who had ceased to be a Speaker and had become a senator, and who immediately after actively participated in an election campaign and made a speech, the offensiveness of which will never be forgotten by many people.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I do not desire to intervene in the discussion as to the propriety of this particular question, but my right hon. friend the Prime Minister (Mr. Bennett) having referred to certain comments which may have been made because the former Speaker continued to exercise the duties of his office after having ceased to be Speaker, I may say, in justice to Senator Lemieux that he did so after having secured the opinion of the Deputy Minister of Justice and of the law officer of the House of Commons as to the interpretation of the statute, and I have seen both those opinions.

Mr. LAVERGNE: May I ask my hon. friend if he has forgotten the wonderful campaign which was waged in the province of Quebec against a former Speaker of this house with respect to a victrola?

Mr. LAPOINTE: I will not enter into a debate with my hon. friend on that.

Mr. SPEAKER: The right hon. leader of the opposition (Mr. Mackenzie King) having on behalf of the former Speaker of the house answered the question, it perhaps had better remain on the order paper until it is called in its order, when the answer to the first question will of necessity dispose of the second, third, fourth and fifth questions. That in my view would be more desirable than to have the question removed from the order paper as if someone was ashamed of it.

Mr. MACKENZIE KING: Of course, I defer to your wishes, Mr. Speaker, but I do think a question worded in this way carries with it an innuendo and should not be allowed on the order paper for that very reason. All that is desired in the way of information can be obtained by a question that does not carry any innuendo. I should rather hope that the hon. member who has asked this question (Mr. Laflèche) would take advantage of what he has heard to-day and request that it be immediately withdrawn.

Mr. BENNETT: We have not reached it yet.

Mr. SPEAKER: It is apparent that the various sections of the question might have been worded in a different way. The first section of the question is:

> During the term of office of Hon. Rodolphe Lemieux, as Speaker of the House of Commons, were certain pieces of furniture, the property of the state, transported to his summer residence, at Pointe au Pic, Quebec?

If the answer to that is "no," the answer to the other four sections is also "no," and that would be the end of the question. But since the question has not yet come on to be answered before the house in the ordinary course, I think we had better not anticipate it.

IMMIGRATION ADVERTISING

On the orders of the day:

Hon. PETER HEENAN (Kenora-Rainy River): I should like to draw the attention of the government to the fact that in the English papers advertisements are still being inserted by the Dominion government for boys and men to come to this country to be placed on farms, with free passage offered. I have quite a number of these advertisements, which I do not care to read.

Right Hon. R. B. BENNETT (Prime Minister): I think, Mr. Speaker, I can say that these advertisements are being continued under contracts which were made by the previous administration and which as yet have not lapsed. In the one case into which I inquired I found a contract for a year,

which had not been fulfilled. If the hon. gentleman will send these advertisements to the department, I will have inquiries made to ascertain if they are not in the same position.

Mr. HEENAN: My intention was to direct the attention of the government to the fact so that if there were any contracts which had been entered into by any government, they could carry out their policy and cancel those contracts.

RAILWAY COMMISSION

AMENDMENT OF JUDGES ACT TO PROVIDE ANNUITIES FOR CHIEF AND ASSISTANT CHIEF COMMISSIONERS

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 40 to amend the Judges Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. LaVergne in the chair.

On section 1—Annuity to judge appointed as chief commissioner or assistant chief commissioner of railway board.

Mr. MARCIL: I should like to ask the Minister of Justice if an appointment will be made in the near future to fill the vacancy caused by the resignation of Mr. Vien. The province of Quebec is not represented on the board at the present time. I have had urgent letters from my constituents in regard to this matter, and I think an appointment should be made very soon.

Mr. GUTHRIE: I am not personally familiar with the situation in that respect, since it comes under the Department of Railways and Canals. This amendment is merely to provide for the position of chief commissioner or assistant chief commissioner, when a judge is appointed to one of those offices. I understand, though, that my hon. friend will not have long to wait until an announcement is made that all the vacancies are filled.

Mr. MARCIL: I make the request because Mr. Vien was assistant chief commissioner of the board, and I think some appointment should be made in the very near future.

Mr. LAPOINTE: I am rather in favour of this bill, but I would ask my hon. friend if some similar provision did not exist previously. I understand that when Mr. Justice Killam was made chief commissioner there was some arrangement by virtue of which he was granted his pension after the expiration of his term.

[Mr. Bennett.]

Mr. GUTHRIE: I think it has been done in the past by special vote. The idea of this amendment was to make it a permanent arrangement, because I think it is realized that the position of chairman of the board is one that an outstanding judge could fill with great satisfaction, and it would be rather a hardship on the judge to ask him to leave the bench and forego his pension which would be the situation without this legislation.

Mr. POWER: I pointed out to the minister previously that provision had been made for a similar case in the Pension Act. Is this amendment couched in similar terms?

Mr. GUTHRIE: I think so.

Bill reported, read the third time and passed.

APPEAL FROM CHAIRMAN'S RULING

Mr. ARMAND LAVERGNE (Montmagny): Before going into committee of supply, Mr. Speaker, I wish to state as a matter of privilege that last night in the committee of supply a point of order was raised by the Minister of Railways and Canals (Mr. Manion), on which point I ruled. From that ruling an appeal to the house was taken by the right hon. leader of the opposition (Mr. Mackenzie King). I have put my ruling in writing, and I now hand it to you, Mr. Speaker.

Mr. SPEAKER: This is not a question of privilege. When the house rises at eleven o'clock, the business then being transacted stands at that point, to be resumed at the next sitting. When eleven o'clock came the chairman of committees was in the act of reporting an appeal from his decision, which could not be taken up at that time. If it is desired by the right hon. gentleman who made the appeal that we go on with it, we shall proceed, otherwise it might be dropped. I presume from the fact that the deputy speaker has presented his ruling in writing that it is the desire of the right hon. member to proceed with the appeal.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Perhaps, Mr. Speaker, you would read to the house just in what form the matter is stated.

Mr. SPEAKER: The written ruling is as follows:

Whilst the committee of supply was considering the following resolution:

162: Hudson Bay railway and terminals—construction and betterments, including E. B. Jost at $2,500 (revote, $1,375,000), $6,000,000.

Mr. Mackenzie (Vancouver) introduced in the debate the question of the construction of railway branches to the Pacific coast by a Peace River outlet.

The chairman ruled the discussion out of order as irrevelant under section 2, standing order 58, which reads as follows:

(2) Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

From this ruling Mr. Mackenzie King appeals to the house.

Mr. MACKENZIE KING: With all deference, I am not quite sure that, as drafted, the statement expresses what was primarily the point in my mind. When the hon. member for Vancouver Centre (Mr. Mackenzie), spoke on the question of the Peace River outlet, he distinctly stated that his reason for so doing was that it was part—

Hon. HUGH GUTHRIE (Minister of Justice): Let us settle this matter, Mr. Speaker. There is an appeal to Your Honour and there is no discussion allowed. The question must be put without discussion.

Mr. MACKENZIE KING: I am rising as a matter of right with respect to the interpretation which the chairman has put upon the point in appeal.

Mr. GUTHRIE: That, I submit, should be done if at all in the committee.

Mr. SPEAKER: The matter has been referred by the chairman to the Speaker, whose duty it is to submit it to the house in the language reported to him, and to put the question whether the decision of the chairman shall be confirmed.

Mr. MACKENZIE KING: But I submit, Mr. Speaker, that as submitted to you the language of the reference does not cover the point against which the appeal was made.

Mr. LAVERGNE: I do not wish to contradict my right hon. friend, but if he looks at Hansard he will see what transpired.

Mr. MACKENZIE KING: On a question of privilege I have the right to state to His Honour the Speaker whether or not, in my opinion, the statement as drafted by the Deputy Speaker in good faith has caught the significance of the objection I raised.

Mr. LAVERGNE: The words of Hansard are there.

Mr. MACKENZIE KING: The words of Hansard will bear me out.

Mr. GUTHRIE: Hansard is our guide and the Speaker must decide according to the record. If His Honour wishes to take time to examine Hansard, well and good; the record is there.

Mr. SPEAKER: I must rule the question not debatable. I was in doubt only as to whether the house wished to go on with the appeal. If it does, I will put the question.

Mr. MACKENZIE KING: May I suggest that it might be well for Your Honour to examine Hansard before the question is put. I do not think that the language of the statement as drafted does express the real point at issue when the objection was raised.

Mr. POWER: May I suggest, with all deference to Your Honour, that the Deputy Speaker, the chairman of committees, should now return to the chair and there, from his seat, as chairman of committees, submit the reference in order that it may be decided by the committee whether or not the reference so submitted was the one which it was proposed to place before Your Honour. That, it seems to me, would be the advisable course to follow.

Mr. LAVERGNE: It was my duty to put the question in writing the moment it was submitted.

Mr. POWER: I suggest that the Deputy Speaker might submit the reference to the committee with a view to ascertaining from the committee whether that reference was the one on which it was desired to appeal.

Mr. SPEAKER: The authority is quite clear:

From the chairman's decision no appeal should be made to the Speaker.

In case of an appeal to the house, it is the duty of the chairman to leave the chair immediately and report in writing the point of order which he has decided. The Speaker must then submit the matter to the determination of the house in language reported to him and put the question, "That the decision of the chairman be confirmed." No discussion is allowed on the appeal. Should the Speaker be absent, the chairman takes the chair of the house and another member takes the chair of the committee for the instant and makes the report of appeal to the Acting Speaker, who will at once submit the question to the house for its decision.

In my opinion, it is not competent for the Speaker to go behind the question as submitted to him by the chairman of committees. I will now put the question: Is it the pleasure of the house that the decision of the chairman be confirmed?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. SPEAKER: In my opinion the ayes have it.

Decision of the chairman confirmed.

SUPPLY

DEPARTMENT OF RAILWAYS AND CANALS

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

Hudson Bay railway and terminals: construction and betterments, including E. B. Jost at $2,500 (revote, $1,375,000), $6,000,000.

Mr. MACKENZIE (Vancouver): When the committee adjourned last evening I was asking the Minister of Railways a question. Before I supported this item of $6,000,000 for the Hudson Bay railway and terminals, which involves a national system of transportation I wanted to know whether he would indicate to the house what the policy of the administration will be in regard to the Peace River outlet.

Hon. R. J. MANION (Minister of Railways and Canals): The chairman has already ruled that question out of order.

Mr. MACKENZIE (Vancouver): I am not discussing it; I am merely asking a question.

Mr. MANION: I am willing to answer the question, but I understood the chairman to have ruled the whole discussion out of order.

The CHAIRMAN: The house has sustained my decision, whether it is sound or not.

Mr. MACKENZIE KING: Two or three times the minister has intimated that he would be prepared to discuss the Peace River outlet when we came to the railway estimates. We are now considering the estimates of the Department of Railways and Canals, and I submit that somewhere in these estimates there ought to be some item in relation to which we might find it possible to discuss the Peace River outlet. Inasmuch as the discussion of the Peace River outlet, which in our opinion has a bearing upon this item now before the committee, has been ruled out of order, will the minister indicate where, in these estimates, an opportunity will be afforded to proceed with that discussion.

Mr. MANION: The question will come up when the estimates of the Canadian National Railways are under consideration.

Mr. MACKENZIE KING: Why should the discussion stand until then? This railway might be built by the government as a national undertaking, just as it was said the Mafeking railway would be built. I submit again that there ought to be some item in these estimates under which it would be possible to discuss the Peace River outlet, and it should come, in my opinion, within the items presented by the minister in relation to his own department.

Mr. MANION: The estimates of the Canadian National Railways come under my department, and when they are being put through the house the question of the Peace River outlet can be discussed. The Peace River outlet is a matter which at the present time is being considered by the Canadian National Railways in association with the Canadian Pacific Railway. It is distinctly a railway matter. The item now before the committee is, on the other hand, of a different character; it has to do with the Hudson Bay railway and terminals. I have no objection to discussing the other question, but the ruling has been given that the Peace River outlet shall not be discussed in connection with this item. In the course of answering a question last evening in reference to the subject I was myself ruled out of order by the chairman, and naturally I do not wish to be ruled out of order again.

Mr. MACKENZIE (Vancouver): I understood the ruling of the chairman to be given on a point of order raised by the minister himself. Now the minister graciously intimates that he has no objection to making a statement on the situation. Do I understand, then, that he withdraws the point of order he raised last evening?

Mr. MANION: I do not enforce the rules of the house; the Speaker and the Deputy Speaker do that. I am, therefore, in the hands of the chairman. However, I will proceed to answer the question until the chairman calls me to order. The question of the Peace River outlet, I may say, is sub judice. It is at the moment in this position. The Canadian Pacific Railway has made an investigation into the possibility of an outlet from the Peace River district. The provincial government of British Columbia has also investigated the question. There is before my department as well a report of the Canadian National Railways, which report has already been tabled. These reports are still to be considered, and they are more or less at variance. Mr. Beatty some time ago—there was nothing confidential about this—sent me the report of the Canadian Pacific Railway. That report described a certain route. He has not given me permission to have the report printed and tabled, and therefore I have no right to make it public. But he suggested at that time that there might be held in my office a meeting of himself, Sir Henry Thornton and myself, for the purpose of discussing the matter. I agreed, and Mr. Beatty undertook to arrange a date which would be equally suitable to Sir Henry Thornton and himself. It so happened, however, that in the meantime he was obliged to leave for England, and he is either there now or on his way. He intimated that he would not be back until the first of June,

and he has proposed that, upon his return, we should have the meeting to discuss the whole proposition. That is the situation as it is at present. I do not think the hon. gentleman should press the question further because, as I have indicated, it is a matter which has yet to be decided. That is a fair statement of the case.

Mr. STEWART (Edmonton): I presume the survey was made for both companies?

Mr. MANION: No, it was made by the Canadian Pacific Railway Company.

Mr. STEWART (Edmonton): Working on their own behalf?

Mr. MANION: It was made by that company at an expenditure of some $200,000, and the company has its own suggestions in that regard.

Mr. STEWART (Edmonton): I was under the impression it was made for both companies, but my hon. friend assures me it was for the Canadian Pacific Railway alone.

Mr. MANION: A couple of years ago a report was made by the two railways jointly, which report was tabled in this house, not by myself but by the late government. Then there was a survey made by the provincial government.

Mr. MACKENZIE (Vancouver): That was made by the provincial government, with the two railways cooperating.

Mr. MANION: Perhaps that is so, but at any rate it is a provincial government report, because it has never been returned to us. It is in their hands and they are dealing with it. Then there is the survey made by the Canadian Pacific Railway Company on their own behalf. The three reports have to be coordinated, if we may use that word, or brought to some common relationship before any decision can be arrived at. I think it would be talking at a loss to discuss this matter, at least until after the proposed conference is held between Sir Henry Thornton, Mr. Beatty and myself.

Mr. MACKENZIE (Vancouver): In view of the fact that the Canadian National Railway cooperated with the Canadian Pacific Railway and the provincial government in regard to that one survey, it should be tabled, because it involved an expenditure of federal money.

Mr. MANION: Probably it will be tabled a little later on. I have been in communication with the hon. member for Skeena (Mr. Hanson) and with the hon. member for Peace River (Mr. Kennedy) to whom I stated that I have been in touch with the provincial government but so far they have not given me a copy of the report.

I have no desire to delay my own estimates, but I would like to take up a matter raised last evening by the hon. member for Melville (Mr. Motherwell), in connection with the choosing of Port Nelson as the terminal of the Hudson Bay railway. In replying to an inquiry made by the hon. gentleman I stated that I understood that the responsibility for the choice of Port Nelson was upon both former ministers, Mr. Graham and Mr. Frank Cochrane. The hon. member contradicted me and said that he understood it was upon Mr. Cochrane alone, and without being very sure of my ground and not wishing to put Mr. Graham in wrong, I more or less subsided and agreed with him. However, since last evening I have looked up this matter and I would like to make two or three quotations from Hansard of 1912 and 1913, which will show that the responsibility was upon both these hon. gentlemen. I think it only fair to the memory of Frank Cochrane to show that the responsibility for the choice of Port Nelson was shared by Mr. Graham. I will quote only the relevant passages from Hansard, and my first quotation will be from Hansard of March 21, 1912, page 5763, as follows:

> Mr. Graham: If I remember correctly, the information I had, it pointed to this—that Nelson harbour would be by far the best so far as the railway is concerned and the railway operations.
>
> Mr. Cochrane: Yes.
>
> Mr. Graham: No question about that.

And Mr. Graham continues:

> I prophesy that Port Nelson will be the harbour. I know that my hon. friend knows that it is a mistake to prophesy, but prophesying about harbours—well, of course, that is different.

And then Mr. Cochrane continues:

> As to the port, as I have already said, I hope to be able to make a decision in a couple of months. Port Nelson as the hon. gentleman (Mr. Graham) says would be much preferable for one reason, at least—it is 85 miles shorter.

In Hansard of 1913 there are some quotations of Mr. Frank Oliver, now an officer of the railway commission, which show that he took the attitude that Churchill was the better port. I will not read these quotations, but for the information of hon. members they appear on page 10940 of Hansard of 1913. The following appears on page 10947 of Hansard of 1913:

> Mr. Graham: Lest my silence might be construed that I have lost faith in this work, I

may say that I have still faith it will be a practicable and profitable undertaking and if I had not I would not have committed the country to the expenditure.

And again:

I always favoured Nelson from the information I had in the department, and that view seems to be confirmed.

And again:

If the traffic is to assume any dimensions at all—and unless the department were satisfied it will, they would not go to the expense of having very costly terminal facilities there—if the traffic is to assume any proportions a good harbour is necessary, and from the information in the department the best harbour is to be found at Nelson—

And Mr. Graham continues:

—but it has always been my opinion that it will be open for between three and a half and four months.

I do not think I need to read any further. I am not doing this for any political reasons, but only that justice be done to both former ministers of railways, Mr. Graham and Mr. Cochrane.

Mr. HEENAN: Assuming that when the national highway is built it will come under the Department of Railways and Canals, and there not being any provision in the estimates for this work, would the minister tell us at what point in the estimates or upon what item we will be permitted to discuss the matter?

Mr. MANION: So far as I know there is no item in the estimates dealing with a national highway.

Mr. RHODES: It could be done on the motion to go into supply.

Mr. HEENAN: I do not believe the minister caught correctly my remarks. Assuming that this matter will come under the minister's department as it did in former days, and there being no provision for an item, how can we discuss this matter of a national highway?

Mr. MANION: There is no item in the estimates which deals with this matter but if my hon. friend wishes to ask me a question about it I shall be pleased to answer it. If the national highway is built it will not be built by this government, but probably by the provincial governments with contribution being made by the federal government.

The CHAIRMAN: I think the committee should revert to the item covering the Hudson Bay railway.

Mr. HEENAN: We are not finished—

[Mr. Manion.]

The CHAIRMAN: I ruled last night against the hon. member for Vancouver Centre (Mr. Mackenzie) and I cannot allow any discussion which is not relevant to the item.

Mr. HEENAN: I appreciate your authority, sir, and your intention to conduct the business of the committee according to the rules, but a discussion has taken place upon the ruling of last night after which the hon. minister very kindly got up and gave the information which the hon. member for Vancouver Centre desired.

The CHAIRMAN: I do not want to be too strict but—

Mr. HEENAN: I hope there is no desire to keep information from the members of the committee, because there are other ways of getting it.

Mr. MANION: May I suggest to my hon. friend—

Mr. HEENAN: The Minister of Railways is as anxious to see the development of a national highway as I am.

The CHAIRMAN: We cannot discuss the national highway on this item.

Mr. HEENAN: I am not discussing it. I want to say to the Deputy Speaker of this house that he ought not to rule until someone asks for a ruling.

Mr. MANION: This item might be discussed on the miscellaneous vote.

Mr. REID: Has the minister any information as to what the rates on grain will be from Fort Churchill to Europe?

Mr. MANION: That question has been gone into by the officers of the department and by some of the steamship officials of the Canadian National Steamships, who have met in my office. I cannot give any conclusive answer but I can say that some steamship companies have indicated that they would be willing to send ships into Fort Churchill and carry grain from there to Europe at a rate somewhat higher but not extravagantly so than the Montreal rates. But of course the whole question is made more complex by the fact that insurance enters into it to a very marked extent, because of the insurance rates were very high, it might counteract any advantage accruing from the shorter haul from the prairies via Churchill to Europe. I do not think an intelligent answer can be given to my hon. friend until later in the season when we have made arrangements perhaps for some private company to take grain via that route.

I may assure him that we are doing the best we can to have a private company handle the whole proposition. May I say at this point that unless some private company does this, and unless we can give a proper estimate of what the cost will be, this will not be a fair test of the port. Of course a shipment this fall will not be a fair test, but it will be the best we can do this year. Any action by the Canadian government itself in absorbing the necessary charges involved in the trial shipments would not constitute a fair test of the route. I can assure my hon. friend—perhaps that is all he wishes—that we have the matter in hand; we are working on it and we shall endeavour in plenty of time before the test is made in September, to have arrangements entered into whereby a shipment or shipments will be made from Churchill.

Mr. REID: Does the minister think this will be the means of diverting much of the Canadian freight that at present goes through the United States?

Mr. MANION: Of course, the whole question depends upon what the ultimate rates will be. If the rates are lower than the present competing rates, naturally a good deal will be diverted. If the rates should happen to be higher, it is natural that the diversion will not be great. Only time can tell what the rates will be and what the answer to my hon. friend's question will be.

Mr. GARDINER: When Fort Churchill was finally decided upon as a port, I understand that certain expropriation proceedings took place with regard to particular lands. Have those expropriation proceedings been completed and payments made?

Mr. MANION: It was in 1927 that expropriation proceedings against the so-called Beech property at Churchill were instituted and a test case to determine the compensation to be offered went before the Exchequer court at Winnipeg in 1928. The decision of the Exchequer court, rendered on March 24, 1929, established a value of $30 a lot. The result of that has been that to date 45 owners have accepted that amount of compensation and have given the crown title to 156 lots out of a total of 1,406 lots. We have received many protests from people who bought the lots at a much higher price when they were put upon the market by Mr. Beech and his associates, but the judgment of the Exchequer court is final and fixes the compensation at $30 a lot. When I was at Churchill last year I saw the property and I know something of real estate values or perhaps I should say, lack of values, because I went through a boom or two myself, and I think the award of $30 a lot was very generous.

Mr. SPENCER: I presume the balance of the lots will be turned over to the government in due time?

Mr. MANION: I have just received a letter from one of the owners stating that he is not willing to turn his lots over. However, they have been expropriated and the only question remaining is what compensation shall be paid the former owners. When that has been cleared up such property as is not required for Dominion public works will be handed back to the province of Manitoba as part of the crown domain.

Mr. SPENCER: The delay will not hold up development of the port?

Mr. MANION: They are so far away from the port that no interference at all will be caused.

Mr. GARDINER: How far away are they?

Mr. MANION: About three and a half to four miles from the docks.

Mr. HEAPS: Towards the ocean or the other way?

Mr. MANION: Well, the ocean is all around. I would say the other way.

Mr. COOTE: Does the government own all the townsite of Churchill?

Mr. MANION: The land has all been given back to the province of Manitoba with the exception of the Beech property, a strip along the railway running through the town, and the industrial sites on the water front. The strip, 250 feet wide, on each side of the railway, the industrial sites along the water front, a lot for the wireless and a few others, including the Beech property, required for various purposes by the government are still owned by the Dominion government, but outside of these they have all been turned over to the province.

Mr. BEAUBIEN: Has the Beech estate received payment for those lots?

Mr. MANION: For the lots which they have been willing to accept settlement for on the basis of the Exchequer court award, but some of the Beech heirs have refused to accept the award, which carries interest at 5 per cent from the date of expropriation. Of course there can be no settlement with the former owners until they accept the award and give title.

Mr. SANDERSON: Approximately how much will it cost to complete the terminals and the road after this appropriation is expended?

Mr. MANION: This vote of $6,000,000 this year will largely complete the terminals, except perhaps $700,000 or $800,000 that will have to be expended next year to put the finishing touches upon the works.

Mr. SANDERSON: It will be ready for business?

Mr. MANION: It will be ready for business to a certain extent this autumn, and by the following autumn it should be complete.

Mr. SANDERSON: How much was spent on Nelson?

Mr. MANION: About $6,200,000.

Mr. McINTOSH: How much of that $6,000,000 or more was salvaged?

Mr. MANION: I do not imagine there was much salvaged. Whatever they could float or bring into Churchill was brought, but I do not suppose it would amount to anything like half a million dollars. I am only guessing; I do not know for certain.

Mr. McINTOSH: As a member for a northern riding of Saskatchewan I am pleased to hear the minister is doing his best to complete the road as an operating unit, to build up the harbour facilities and to provide storage facilities at Fort Churchill for western grain and other goods. It seems to me that a very important matter and one which has been brought to the attention of the minister is the insurance rate across the north Atlantic and the price which it will cost to take the grain from Fort Churchill to the markets of the old world. It is not necessary to say that western Canada, especially Saskatchewan and Manitoba, is at the present time, taking just as big an interest in this problem as it has done for the past ten or fifteen years and will until this route has been absolutely tested and the result given to the farmers and citizens generally of western Canada.

Last night I heard an hon. member speaking about the number of days which the port has been open during a certain number of years. I believe that those tests of the past ought to give place to the tests that will take place in the future. It is what we shall find to be the facts during the next four or five years, after shipping has commenced from that port, that will mean something. These figures are all right, but what the west wants now is a real test of that route. The west wants not only the facts concerning the route and concerning that port in particular but we want to know everything possible regarding shipping conditions across the north Atlantic to the ports of the old world. We want the essence of these facts in connection with western development fully made known. While I am on my feet I would like to ask the minister if he has given any consideration to the question of holding a suitable official celebration when Churchill port is opened?

Mr. MANION: No.

Mr. McINTOSH: Some of the hon. members on the other side of the house seem to become excited whenever the port of Churchill is mentioned. I think they had better get their sentiment boiled down because they will have plenty of opportunity to get excited from now on as the development of the port proceeds.

Mr. PRICE: What did your government do?

Mr. McINTOSH: What did it not do? I am asking if the minister has given any serious consideration to the matter of holding a suitable celebration when the port of Churchill is opened?

By that I do not necessarily mean a western celebration but one of a national character. When the port is opened the attention of all the people of Canada should be concentrated upon it, because in connection with that port, so far as the west is concerned, history of far reaching importance is going to be made. I do not know whether or not the minister has considered the question I have brought to his attention. We westerners look at the port from a national point of view. We do not look at it just from the standpoint of Saskatchewan, Manitoba, Regina, Saskatoon, Prince Albert, North Battleford or any other area. We take a national view, and it is from that aspect that we wish to have it tested. We want the minister and the government of the day to do their utmost to bring about a one hundred per cent development of this port because westerners are looking forward to the day when the new port will play an important part in building up the purchasing power of western Canada and help to develop to a greater degree than ever that portion of the Dominion.

Mr. MANION: I have tentatively decided that to carry on to a successful conclusion the work at Churchill this fall in time to make even a test shipment of grain, will necessitate the very best efforts of our engineering department and contracting companies. For that reason any celebration or

official opening of the port would be more fittingly held in 1932. In other words if we endeavoured to do too much this summer we would perhaps be accused of delaying the test shipments we hope to get out this fall. Great effort will have to be put forth to get the test shipments out because the contract for the erection of the elevator does not call for completion until September 15 and there are not many days between that date and the close of navigation in those regions. Therefore there would not be very much time left to come and go on. For that reason I think it would be wise to leave anything in the nature of an official celebration or opening until the following year. I think that would meet with the approval of all hon. members.

I would like to clear up another point. Various companies have applied for industrial sites and for rights to ship certain goods through the port of Churchill. Some of the applications have been made for advertising purposes. The companies in question wish to be the first to ship goods through that port. Other applications are made on commercial grounds. However, owing to the amount of work which will have to be done between now and September 15 we are making a general rule that these companies will have to wait until 1932. If we allowed private corporations to use the port and interfere with it probably we would not be in a position to get out the test shipments this fall. We do not wish to be accused of delaying the test shipments; if possible we would like to get them out.

Mr. LAPOINTE: Probably the Mafeking cut-off will be built in another year and a shorter route will be available?

Mr. McINTOSH: I am thankful to the minister for his explanation in connection with the question I asked concerning the official opening of the port. I think he is well advised to hold the opening over for another year; next year would be a very suitable time. My point is however that when the official opening is held it should be made an outstanding event.

Mr. VALLANCE: May I ask the minister if it is the intention of the government to allow any private grain companies to establish elevators at that port, or if it is the intention to keep the port open for public elevators only?

Mr. MANION: Up to the present time we have had no applications from any private companies to establish elevators at the port. Until applications are made we will not have to make a decision on that point. If the matter came up I do not know to what conclusion I would come. Frankly, I have not given any thought at all to the question; it will have to be decided when it comes before me.

Mr. VALLANCE: Before the matter concerning elevators is decided there should be some discussion in the house.

Mr. MANION: Why not have it now?

Mr. VALLANCE: I thought it would be better to have the discussion when we were considering the estimates of the Department of Trade and Commerce for the grain commission under whose control I suppose the elevators would be?

Mr. MANION: No. The elevator we are building at the port is under the control of the Department of Railways and Canals. Ordinary supervision carried on by the Board of Grain Commissioners for all elevators in Canada naturally will be effective in connection with the elevator at Churchill. The management of the elevator however and the general operation of it will be under the control of my department.

Mr. VALLANCE: Is not the licence issued from the Department of Trade and Commerce? Have they not control over it through the grain commission?

Mr. MANION: I do not know about the licence. The Board of Grain Commissioners have a supervisory right over all the elevators in Canada. They supervise the operations of all elevators from the standpoint of seeing that everything is carried on according to law. However the erection and operation of an elevator may be carried on either by a private company, by the government, by the Department of Trade and Commerce or by the Department of Railways and Canals. My hon. friend knows as well as I do that there are many private elevators as well as those under the Department of Trade and Commerce and the Department of Railways and Canals.

Mr. VALLANCE: The licence would have to be granted through the grain commission?

Mr. MANION: I do not know about that.

Mr. VALLANCE: There should be ample opportunity given in this house to discuss the necessity of keeping Churchill free from private elevators. In connection with the operation of the new Canada Grain Act as consolidated at the last regular session of parliament, those of us who spent a great deal of time on the matter would like to see Churchill left with nothing but public elevators so that we could check up the other ports which have both private and public elevators.

Mr. MULLINS: There is a private company at Winnipeg which is very anxious to build a stockyard. It is not so anxious about elevators as is my hon. friend. We are prepared this year to make a trial shipment out of Churchill and I hope the minister is making some arrangement whereby a stockyard will be provided to help out the situation regarding freight rates to European markets. Another hon. member sitting on this side of the house and myself were living in western Canada when this road was started by Hugh Sutherland many years ago and we are very anxious to see the completion of port facilities for the betterment of the movement of grain as well as live stock out of western Canada.

Mr. MANION: It is not possible this year to provide facilities for the shipment of live stock. I repeat what I said a minute ago in answer to my hon. friend on the other side of the house that we are going to find it difficult enough this year to get out the last movement of grain and there will be no opportunity to ship live stock. The success of the port of Churchill however does not depend on trial shipment this year of grain or live stock. Its success depends on shipments in the next year and in years to come. In 1932 there will be ample opportunity for my hon. friend and his associates to build stock yards there, and we shall be very glad to have him come along with a proposition. We will certainly give it our very best consideration.

Mr. MULLINS: May I say for the benefit of the minister that if he will permit a trial shipment this year to show that the route is feasible, the farmers will go more into live stock so they will be ready for 1932. I am getting along in years, and I do not want to wait any longer. I have waited 45 years to see the completion of this road.

Mr. MANION: It is impossible for us to provide shipping facilities for live stock this year. I regret this, but it is simply out of the question to attempt it. My hon. friend says he is getting along in years, but nobody thinks he is; everybody thinks he is a young man. I have not the slightest doubt that he will be with us in 1932 and help us to ship live stock out of Churchill.

An hon. MEMBER: He is looking younger than ever.

Mr. SPENCER: Is any restriction put on the number of people allowed to go into Churchill?

[Mr. Vallance.]

Mr. MANION: Yes; no one is allowed to go into Churchill, except by permit and we are issuing permits only to those who are going there to work or to points beyond Churchill on business.

Item agreed to.

St. Our's lock: rebuilding, $435,000.

Mr. MACKENZIE KING: I notice the estimates of the department are under three headings; railways, canals, miscellaneous. May it be understood that under canals we are at liberty to discuss any canal the administration of which is under the department directly or indirectly?

Mr. MANION: Yes, I should think under this or any other item of canals my right hon. friend could discuss the subject.

Item agreed to.

Welland ship canal: construction and betterments, $3,000,000.

Mr. MACKENZIE KING: I notice that $9,600,000 appears as having been expended in 1930-31. I assume that that total includes the $2,000,000 which my hon. friends put in the supplementary estimates to look after a new contract that they entered into themselves?

Mr. MANION: Not a new contract; a continuation of the old contract. We spent the money after we came into power.

Mr. MACKENZIE KING: It was a new contract to the extent of there being another agreement with the contractors.

Mr. MANION: There was no change in the agreement. These contracts were put in force largely by my right hon. friend's administration at unit prices. The contractors simply continued the work with our permission, and we paid them out of the supplementary estimate of $2,000,000.

Mr. MACKENZIE KING: They did the work first and they got the money afterwards?

Mr. MANION: Yes, just as they did under my right hon. friend's administration.

Mr. MACKENZIE KING: No, I do not think so. I see the amount for 1931-32 is $3,000,000. Does the minister contemplate that there will be any occasion to spend more than that money in the present fiscal year?

Mr. MANION: May I answer first the reference of my right hon. friend, but not in any controversial spirit. I am informed by the department that, for example, on the

Hudson Bay railway contract nearly $2,000,000 was overspent on one occasion and the late government paid it. I am not criticizing this, I am simply pointing out it has been the custom to let the work go beyond the amount voted in the estimates for the year, and it is provided for in the supplementary estimates next year. In this work most of the contracts are on a unit basis. I have a list of the contracts here; most of them go back several years. According to the advice of the legal branch of my department, the contractors could go on and complete the contracts when they will, because they are supposed to complete the work in a certain time anyhow, but generally speaking the amount of money provided in the estimates is the amount that our engineers reckon will be needed that year. But last year was exceptionally fine from the standpoint of the contractors, and they were able to get an amount of work done which would have exhausted the estimates for that year a good deal earlier than usual, and in September or October they would have laid off a good many of their men. Consequently it became a question whether they would continue or not, and they decided to continue and the extra money was provided in the supplementary estimates. This year the vote of $3,000,000 will not be sufficient to cover the completion of the canal; about another $4,000,000 will be needed for this purpose. I may say quite frankly that I am not positive from a legal standpoint as to the position of some of the contractors in that regard. Some of the contracts call for the completion of the work this year, so it is obvious that if the contractors chose to go on with their work, irrespective of our ruling in the matter they might do so, but they would have to wait until the money was voted to pay them. If they insist in going on after the appropriation is exhausted they must wait until further money is appropriated next year.

Mr. MACKENZIE KING: They do it at their own risk.

Mr. MANION: Yes. Some of the contractors might insist on going on, and probably we would not object so long as they were prepared to wait for payment.

Mr. MACKENZIE KING: That comes down to the question of control of the House of Commons over matters of expenditure. I think the minister ought to give the contractors to understand that this is the amount of money parliament will appropriate for this year unless he increases that amount by a sum in the supplementary estimates.

Mr. MANION: They understand that already.

Mr. MACKENZIE KING: It would be unfortunate if in regard to these expenditures, running into millions, it becomes the general practice of contractors to think they can go ahead and incur obligations beyond the specific amount that parliament has voted with any certainty of the moneys being paid later on. I hope the minister will keep that point in mind.

Mr. MANION: The contractors have already been notified as my hon. friend suggests. They know the amount that is in the estimates this year; they have been told so, and their position is not a bit different from what it was in previous years, because they have always been in exactly the same position, as far as I am advised. Their contract, for example, is for so many million of yards of dredging, which would take a number of years to do, and no contractor knowing he could get only $1,000,000 this year would go ahead to the extent of $10,000,000 unless he saw a prospect of getting the money within a reasonable time. This year the condition is different in this way, that the work is nearly finished. One contractor took the matter up with me the other day. He said, "I have $500,000 worth of plant on the job at the present time, I have $100,000 of work to do to complete my contract. Am I permitted to go ahead and do this if I wait until next year's estimates for my money?" I did not want to give him a definite answer. But I think it will be generally agreed that it would be hardly fair to him or to any other contractor to tie up his $500,000 worth of plant this year or next year until he completes the work. I do not think there is anything irregular in what is being done so long as the contract price is not altered in any way; and all these prices so far as I know were established by my right hon. friend's government; we have not changed them or the contractors. I repeat, I do not see any irregularity about the contractors going on with the work if they wait for their money.

Mr. MACKENZIE KING: Carried to its logical conclusion, my hon. friend's argument would do away with the necessity of estimates altogether. The estimates amongst other things are for the purpose of giving members of parliament an idea of how much money is to be spent on the different enterprises each fiscal year and definitely to limit that expenditure within that period of time. It raises the larger question which we were discussing

last night, as to the attitude which members from other parts of Canada may take with respect to these great capital expenditures in localities other than those from which they come. Here is an expenditure of $3,000,000 this year, and $9,000,000 last year, on the Welland canal, and there is an expenditure of $6,000,000 for the Hudson Bay railway. I should think hon. members from British Columbia, for instance, might reasonably expect that their constituents would ask, "What has become of the Peace River outlet? That is the matter of transportation which affects us. How do you justify your voting so many millions for the Hudson Bay Railway and so many millions for the Welland canal, with nothing for a much-needed addition to the transportation system of British Columbia, particularly when it has been specifically mentioned in a pledge given by the Prime Minister with respect to transportation generally?"

My hon. friend said a moment ago I might speak on the Welland canal, or at least any canal, and perhaps this would be an opportune moment to say a word with regard to the St. Lawrence waterways as another part of the large transportation scheme which has been outlined and pledged by the Prime Minister as part of the policy of the present administration. That scheme in its entirety was set out in what has been called pledge No. 5 of the Conservative party, as enunciated by the Prime Minister at Winnipeg. It reads as follows:

> We pledge ourselves to the improvement of the whole scheme of Canadian transportation—

Then it divides the scheme as follows:

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

It seems to me all those various projects should be taken together in considering the estimates, and I submit that it would be proper to discuss them together, as being relevant to each other, if there is a desire so to do. Quite clearly the scheme that is set out is a vast transportation scheme relating in part to the Pacific, in part to the Atlantic and in part to the northern region as well as to the great St. Lawrence system, and in order to have these projects properly promoted, it does seem to me that as between the different parts of Canada there must be some relativity in the matter of expenditure, so that one portion will not necessarily receive more consideration than the other.

May I ask my hon. friend whether he can give us, at this stage, a statement with respect to the St. Lawrence waterways, as to what has been done by the administration up to the present time to implement the promise given that the government would immediately proceed with the St. Lawrence waterway development? I think I could give my hon. friend the exact words of the pledge in that regard. Speaking at Cobourg on June 24, as reported in the London Free Press of June 25, the Prime Minister said:

> If elected we will take up the St. Lawrence waterway and complete it at once. There have been nothing but promises from Mr. King.

I should like to ask if there has been anything but promises, up to the present, from the Prime Minister.

Mr. MANION: I think there has been a good deal besides promises from the present Prime Minister; I think he has done a great work so far since he came into power.

Mr. MACKENZIE KING: I am speaking now of the St. Lawrence waterway.

Mr. MANION: As far as the St. Lawrence waterway is concerned, as my hon. friend well knows, this is an international and a national-provincial matter. It is also a matter for the state of New York. All these different parties are interested, the provinces, the state, the Dominion, and the federal government of the United States. I cannot tell my right hon. friend, as he well knows—because he was Minister of External Affairs for a long time—anything about communications passing between the government at Washington and my right hon. leader, but such communications have passed, according to my information. I cannot say as to the exact position of the matter, but I understand that arrangements still remain to be made between the two governments, and perhaps between the state of New York and this government or the state of New York and the federal government of the United States. There are these different understandings to be brought about before anything can be done.

So far as the actual construction of the canal is concerned, I would say it has not progressed very much since we came into power, and as far as that promise goes, my right hon. friend knows very well that once arrangements are made it will take some eight to ten years at least to complete the canal. This is too important a question, I should think, on which to arrive at a decision in the course of a few months. A vast amount of

money is involved, and I am sure my right hon. friend will agree that sufficient time should be taken to see that proper arrangements are agreed upon before any final decision is made. I do not say this in any spirit of recrimination, but my right hon. friend had the matter under consideration, and he dealt with the United States for a long time. I remember asking him several times in regard to the status of that question, and in the nine years my right hon. friend was in power not a great deal of headway was made. We have been in power only nine or ten months, and if hon. gentlemen opposite will have a little patience with us we will do our best to carry out every pledge the right hon. Prime Minister made.

Mr. MACKENZIE KING: All that my hon. friend has said with regard to the St. Lawrence waterway involving international problems and the like is exactly in accord with what I said, and is the reason I gave as explaining why, up to the time at which I was speaking, greater progress had not been made. The present Prime Minister, however, took issue with that method of proceeding—I thought at the time most unwisely—and stated he would proceed at once. I thought he would have been well advised, in view of the great responsibilities which lay before him in connection with the many promises which were made, if he had said quite frankly that this was a vast undertaking, with a great variety of considerations of the kind which my hon. friend has just mentioned, which would take a little time to work out, but he did not do that. The Prime Minister said that the government of the day had not been proceeding with the matter because they did not wish to do so. The Prime Minister spoke at several places with regard to the St. Lawrence waterway. For example, at Winnipeg on June 9, he said:

Has anything been done to the St. Lawrence waterway? Why?

He continued:

Because it was the business of the government to do it and the government did not choose; they did not dare.

That was not the reason. The reason that more progress was not made was exactly the reason mentioned by my hon. friend, and I think in his reply he may possibly have been quoting from what I said. The Prime Minister, however, said it was because the government did not wish to go on with it, and elsewhere he made similar statements. Speaking at Cobourg, on June 24, as reported in the London Free Press of June 25, the Prime Minister said:

If elected, we will take up the St. Lawrence waterway and complete it at once. There have been nothing but promises from Mr. King.

Then at St. John, as reported in the St. John Telegraph-Journal of July 1, he said:

We offer you the St. Lawrence waterways; the Chignecto canal is a possibility, yea, even a probability.

The right hon. Prime Minister made all these pledges with regard to the waterway. He said the work was to be proceeded with at once. If I understand the minister aright to-day, he is telling us on behalf of the administration that he is unable to make any announcement about what has been done up to the present time. He says there may have been some corespondence between the government and Washington, but I imagine there has been no more than one exchange of communications. Beyond that I do not think the minister could indicate anything else, and it is nearly a year since this promise was made.

Mr. MANION: My right hon. leader is Minister of External Affairs, and whatever communications are had with Washington naturally would pass through his hands. He has not made any public statement, and any other statement of his naturally would not be for publication. So I am quite sure my right hon. friend has an opportunity any day, on the orders of the day, to ask my right hon. leader as to further communications with Washington, as he has done already on one or two occasions. Of course there is this to remember, that the criticisms my right hon. leader aimed at the right hon. leader of the opposition during the election had to do with lack of action over a period of nine years. It is hardly the same thing to criticize him for lack of action over a period of nine months. There is a difference of some twelve hundred per cent in the two periods of time. I hope everything will be satisfactorily arranged and the canal built, not at once, but within a reasonable time.

Mr. MACKENZIE KING: My hon. friend forgets that during the period of nine years all the ground work was carried out and everything done in preparation for immediate action. There had to be international commissions and advisory bodies both in the United States and Canada to go over the preliminaries of the whole project. All of that work was successfully cleared up in the period in which the previous administration

was in office. The whole ground was well prepared for immediate action. The heavy spade work has been done and now is the time for action.

Mr. MANION: If all the work was cleaned up, as my right hon. friend says it was, then it was cleaned up just before the election, because my right hon. friend is more enthusiastic about it this afternoon than he was before. I read his speeches during the election and it was only late in the campaign, if at all, that he took any particular interest in the St. Lawrence canal. Most of his statements were of doubtful interpretation so far as that canal was concerned. I will admit that my own leader made a definite statement and I am very desirous of seeing all his promises kept. And I think we shall be in power long enough to keep them.

Mr. MACKENZIE KING: With respect to my statements in the campaign, I admit that I was very cautious in what I said, because I appreciated the magnitude of the project and the many considerations involved. But the Prime Minister was not cautious; he went straight ahead. He just went the limit in everything, and that is what is a matter of concern to us all now. We wish to see how far it will be possible to carry out these universal promises with regard to all sorts of projects.

Mr. MANION: Give us a little time and we will carry them all out.

Mr. BROWN: One thing is clear: the minister and his government have departed from the position taken at the Winnipeg convention with respect to the canal being all Canadian.

Mr. MANION: I do not know how my hon. friend can be so sure that we have departed from that position since we have not yet built the canal. I do not see how he can be so sure of his ground. Until the canal is built, it seems to me, it is a little difficult to say whether it is all Canadian or American.

Mr. BROWN: Perhaps I might put it in the form of a question, but I take it, from the reference which the minister made to the necessity for negotiating with our neighbours to the south, that the government had departed from the position they took at the Winnipeg convention.

Mr. MANION: May I point out that we could not build even an all-Canadian canal without such negotiations, inasmuch as these are international waters.

[Mr. Mackenzie King.]

Mr. BROWN: We all know that.

Mr. MANION: Then I do not see what sense there is in my hon. friend's question.

Mr. MACKENZIE KING: To do the Prime Minister justice, I should like to quote what he said with reference to the cost of this canal, as an additional reason why there should not be delay. Speaking at Winnipeg on June 9, the Prime Minister said:

> The money for the construction of the waterway can be secured without ultimate cost to Canada. It could be built and operated without danger to our sovereign powers, and with every safeguard to provincial rights. It will not lessen the merits of competing roads but will be complementary and helpful to them.

Apparently, therefore, the Prime Minister had already looked into all these matters. He had ascertained the cost and concluded that there would be no injury to any competing system. It was all clear sailing. That was on June 9 last. This is May 22, nearly eleven and a half months after that statement was made. It is nearly a year. At that time the project could be carried through without cost to Canada and without injury to any competing system. As I say, it was all smooth sailing. I think my hon. friend ought to tell the Prime Minister that when we ask him, as we will next week, what progress has been made, he should be prepared to give us a little information. There is another point I wish to bring to the minister's attention. I do not see in the estimates anything in regard to the Chignecto canal. At St. John the Prime Minister said that the Chignecto canal was "a possibility, yea, even a probability." Will my hon. friend tell us which of the two it is at the moment?

Mr. MANION: I will say it is a possibility at any rate. I do not like to put my right hon. friend right so often, but he is wrong in saying that there is nothing in the estimates for the Chignecto canal. It may not be in the main estimates, but there is an item of $10,000 for the Chignecto canal commission. It is the same item which my right hon. friend had in his estimates to cover the commission which he appointed, and it will cover the commission which we shall appoint. It is vote No. 176 in the miscellaneous items.

Mr. MACKENZIE (Vancouver): Has the minister's recent visit to Washington anything to do with the St. Lawrence question?

Mr. MANION: My right hon. friend opposite asked a question of a similar character

on a former occasion and my leader did me the honour of replying. I should know by now what my visit to Washington was all about; it was a pleasure trip. I had a very pleasant time.

Mr. HEENAN: Now that we have the St. Lawrence canal completed, I desire to return to the Welland canal for a moment. In view of the fact that Canada has now put all its contracts and all its employees on the eight hour day basis, and inasmuch as the employees on the Welland canal work anywhere from ten to twelve and thirteen hours a day under the old contracts, would the minister take into consideration the amending of these contracts so as to permit the Welland canal to be completed under the provisions of the eight hour day law?

Mr. MANION: The only trouble with my hon. friend's question is that he is wrong in point of fact. They are all on the eight hour day and have been for a considerable time.

Mr. HEENAN: I am very glad to hear it. That is one thing in regard to which I do not mind being wrong. May I ask this question: In the event of some of the employees on the Welland canal being found to be working more than eight hours a day, have I the minister's assurance that he will see to it that they are put on the eight hour basis?

Mr. MANION: Throughout the different branches of my department we are gradually putting all employees on the eight hour day basis. There are some employees who work more than eight hours a day—watchmen, for example. But we are gradually putting them on the eight hour schedule.

Mr. HEENAN: I think my hon. friend was in error in his reply to my first question, and I can well understand how he might be wrong. The Dominion government's own employees are on the eight hour day; I think that is what he meant. But the contractors' men are not on that basis. My point—and I want to make it as clear as I can—is this. Under the old contracts they would not work under the eight hour day provision which was adopted last session. That standard applies only to the employees working under new contracts. Now, it would cost the government something extra to change the contracts with a view to having the employees who are now operating under the old contracts put on the eight hour day schedule. I would point out that inasmuch as Canada was a signatory to the peace treaty, and inasmuch as we have adopted an eight hour day, the government might consider the reconstruction of these contracts with the object of paying the contractors the additional amount required to enable them to put their employees on the eight hour day basis.

Mr. MANION: I am informed by the officers of the department that the employees of practically all the contractors are to-day working on eight hour basis. There are a few exceptions. That is what the chief engineer informs me at the moment. As a matter of fact, however, many of the contracts are about completed. They were made largely by the late government, so that—

Mr. ELLIOTT: There can be no objection to them.

Mr. MANION: Well, so far we have not found them objectionable. We have been quite content to carry them on. So far as I am concerned, we shall endeavour to see that the men are all put on the eight hour day basis; and until the chief engineer informed me of the exceptions I was not aware of any. I am told, however, that there are some men who are on a nine hour day. Of course, as my hon. friend points out, the contracts were entered into on a different basis and I do not think we have a right to break them. However, I will look into the matter. That is the best I can say.

Mr. HEENAN: The minister has not caught my point. I am not critical in the matter, and I appreciate the fact that the minister could logically continue the contracts as they stand. That is not the point I am making at all. The contracts were made by another government and at that time the eight hour day was not in force in Canada. Should the contracts be changed, naturally the government would have to pay the contractors a sum to cover the extra outlay, but inasmuch as Canada has now adopted the principle of the eight hour day, I think the government could very well consider having this principle put into effect in respect to the rest of this work. Had I been over on those benches, which I fortunately am not, I would have recommended to my colleagues that this great national undertaking, the Welland canal, might very well be completed on the eight hour day principle. It would not cost very much, and I think for the honour of Canada the principle should be adopted in relation to what still remains to be done.

Mr. MANION: I can assure my hon. friend that any new contracts entered into will be on an eight hour day basis. I do not like to remind my hon. friend of the fact that he

was minister of labour for quite a few years and during his time they were working these hours. He had an opportunity to make the alterations which he now proposes, but since he did not I will take this matter into consideration.

Mr. HEENAN: I am afraid the minister has not caught my point, which may be due to my method of speaking. It is true that the contracts were entered into by the late government, and it is true also that I was minister of labour for four years, but my hon. friend will realize that you cannot do everything at once.

An hon. MEMBER: You admit it now, do you?

Mr. HEENAN: During the four years I was minister of labour increases were made in the wages paid to the men on that work. The eight hour day law did not come into effect until May 8, and had the late government been returned to power I am satisfied that they would have been willing to spend some extra money to place these men on an eight hour day basis. The contractors could be called together and told that the government would reimburse them for any extra outlay involved.

Mr. MANION: To my mind the Welland canal has cost enough, the total of $129,000,000 for completion being quite a large amount for a country like Canada to have to pay for one canal. I will give the usual consideration to the proposal made by my hon. friend, but I do not feel like promising to increase the cost of the canal.

Mr. MACKENZIE (Vancouver): Of that total of $129,000,000, how much yet remains to be appropriated?

Mr. MANION: About $4,000,000, after the item for this year.

Mr. LUCAS: When is it expected the canal will be completed?

Mr. MANION: It will be completed next year after the $4,000,000 in next year's estimates has been expended. The estimates for this year will complete the canal sufficiently to permit some of the larger boats to pass through. In fact, last fall some fairly large boats were allowed to go through for special reasons, and the same thing will happen this year.

Mr. LUCAS: Is that figure of $129,000,000 the total for the whole work?

Mr. MANION: Yes.

[Mr Manion.]

Mr. BROWN: Does the minister know what was the original estimate?

Mr. MANION: I do not remember, and my officers say they do not remember, but it was considerably less than that.

Mr. SPENCER: Was it not somewhere around $50,000,000?

Mr. MANION: I have a hazy recollection of that amount, but I cannot confirm it at the moment.

Mr. HEENAN: The extra cost for the last year in connection with the eight hour day would not be very large. Would that total of $129,000,000 be taken into consideration in the event of Canada and the United States joining together on this undertaking?

Mr. MANION: I think it would be.

Mr. HEENAN: In that event would it not be a fair thing to have the United States pay a portion of these wages for the rest of the year?

Mr. MANION: We will give that matter consideration.

Mr. MACKENZIE KING: After the present government came into power I understand there were a number of dismissals of employees from the Welland canal, and a number of new employees taken on. Would the minister indicate how many employees lost their positions because of the change of government, and how many new appointments have been made?

Mr. MANION: While my officers are looking up that information perhaps we can go on with some other discussion.

Mr. MACKENZIE KING: Under the general heading of transportation I would like further to refer to the specific pledges made by the Prime Minister. Speaking at St. John, New Brunswick, on June 30, my hon. friend gave his pledge for a national highway. He is reported in the St. John Telegraph-Journal of July 1, as follows:

> We say that the federal government under our administration will build a great national highway in Canada.

Speaking at Cobourg, on June 24, he is reported in the London Free Press of June 25, as follows:

> A national highway for Canadians. A highway in Canada, not through some other country. A highway in which you can leave Cape Breton and arrive in Vancouver without going into any foreign land. Mr. Bennett declared the undertaking must be accomplished by the hands of the federal government.

Then at Woodstock, New Brunswick, on July 1, he is reported in the Ottawa Journal of July 2, as follows:

Connecting as it would the east with the west, old-time maritimers now residing in western Canada could return to their homes by passing entirely through Canadian territory. The people of the east, too, would visit the west, the Conservative leader went on, and the highway would provide a source of cheaper transportation for farm products.

I assume this matter would come under the Department of Railways and Canals. Perhaps the minister would advise if anything has been done since those pledges were given or rather since the present government came into office towards beginning work on this highway, and if so, what is the extent of the work thus far accomplished?

Mr. MANION: Some negotiations have been carried on between the Dominion and the province.

Mr. MACKENZIE KING: Which province?

Mr. MANION: The province of Ontario, for example. While my right hon. friend is right to a certain extent in saying that this matter would come under my department, it would be merely a grant to the provinces concerned and I am afraid I cannot give my right hon. friend very much information. I am quite sincere in saying that I do not know of any grant having been made as yet and I do not know of any work having been done. I do not think any work would be done by this government because in all probability the work would be done by the provinces concerned.

Mr. MACKENZIE KING: Is the minister making a statement of policy? That is very important, because up to the moment I have understood that this national highway would be a federal project carried out by the federal government. The minister now says that this work will be carried on by means of grants from the federal treasury to the different provinces.

Mr. MANION: I am not announcing a policy in regard to this matter, I am stating simply that my conception is that a certain proportion of the work done would be paid for by the Dominion government. We have no roadway construction officers, either in my department or in any other department of the government. Highways are distinctly within—if I may repeat—the jurisdiction of the provinces.

Mr. MACKENZIE (Vancouver): They were not last fall.

Mr. MANION: I do not think anything was said which would indicate that we intended to take from the provinces any of their rights.

Mr. MACKENZIE (Vancouver): The Prime Minister said:

The federal government will build a great national highway.

Mr. MANION: I do not think those are the Prime Minister's exact words. That is a newspaper report of what he said. My hon. friend surely is not stating that any man's speech is reported in toto in any of the newspapers. A newspaper reporter, reporting a speech, puts it into his own words.

Mr. MACKENZIE KING: These are direct quotations.

Mr. MANION: Some of them are, but many of them are not. I was not saying what was in the Prime Minister's mind, but I was saying simply what was in my mind, that a trans-Canada highway would be built by means of grants to the provinces and in association with them.

Mr. MACKENZIE KING: Surely the newspapers will not come in for all the blame.

Mr. MANION: I am not blaming them.

Mr. MACKENZIE KING: My hon friend knows, I think, what is called the platform of the Conservative party, the pledges that they made.

Mr. COTNAM: Let the right hon. gentleman tell us about the Liberal platform.

Mr. MACKENZIE KING: I can understand why my hon. friend would like to hear about anything but his own platform.

Mr. COTNAM: I should like to hear about the Liberal platform.

Mr. MACKENZIE KING: My hon. friend had better pay attention to his own field and leave others alone for the present. In regard to the Conservative party platform as given out at Winnipeg, in the fifth pledge in which the appeal was made to the electorate, the concluding words were, starting at the beginning of section 5:

We pledge ourselves—

Then the last sentence of all:

—to the establishment of a national highway system.

These are words that I do not think even my hon. friend will repudiate. They are the words that appear in the specific pledges of the Conservative party.

Mr. MANION: That does not say the construction of a national highway system. The

construction must be controlled by any province or an association of the provinces, and it could easily be carried on just as I suggested. I know of no remark in any election speech where the Prime Minister said that he was going to build a trans-Canada highway. He was going, I presume, to encourage the establishment of a trans-Canada highway; but, for example, would it not be the utmost folly for the Prime Minister to propose, where there are good roads crossing certain provinces, to build another road?

Mr. POWER: That is just what he said. He said: We will do it. He said: We want action. We wish it would come.

Mr. MANION: My hon. friend is more anxious for action now than he was when his own party were in power.

Mr. POWER: I am endeavouring to get action. If my hon. friends opposite would only prod their leaders as much as I did mine when we were on the other side, we might get action.

Mr. MANION: I am willing to admit, in justice to my hon. friend, that a number of times he took issue with his party.

Mr. MACKENZIE KING: My hon. friend has, as he says, given us his conception of things. I know that he appreciates the significance of the doctrine of cabinet solidarity, and that as a minister he can speak only as a minister. He cannot as Minister of Railways and Canals announce one policy which is his own conception and leave in reserve another policy which might be that of the government. I want to ask the minister now as a minister of the crown, a member of the present administration: Are we to understand that the policy of the government with respect to a national highway is only to make contributions to the provinces; that it is not in any sense a national undertaking, using that phrase in the sense of a federal undertaking in a large way?

Mr. MANION: My right hon. friend and leader makes any necessary statements of policy on behalf of this government when it is a straight matter of policy. It does not affect this vote at the moment, and I have stated my conception of what the Prime Minister meant by what he said. My right hon. friend has apparently stated his conception. We both have a right to our opinions in regard to the statement made by the Prime Minister. If we differ, it is our privilege to do so. My right hon. friend and leader will in due course announce the policy of the government or whatever action he intends to take as to implementing the pledge concerning a trans-Canada highway. I have given my own interpretation and may I suggest to my right hon. friend that he is more particular now about ministers giving personal opinions than he was when he was in power. I remember on a number of occasions ministers of the then government, saying that they were expressing their personal opinions. I am not expressing a personal opinion; I am stating a conclusion, and I think I am right in my conclusion as to what my right hon. leader meant. I am saying simply I am not at the moment making statements of policy for the government, because this question does not affect my department, so far as I know, or the estimates under discussion.

Mr. MACKENZIE KING: I gather from my hon. friend's words that the matter has not been considered in any manner sufficient to enable the minister to put forward the policy of the government.

Mr. MANION: Nobody knows better than my right hon. friend that what is discussed in the cabinet cannot be stated in the house.

Mr. MACKENZIE KING: Once a policy is settled in a cabinet, any minister of the crown is at liberty to state it.

Mr. MANION: No.

Mr. MACKENZIE KING: Why should he not do so? I never before heard of a government where every minister except the Prime Minister, was muzzled as regards statements of policy. Surely my hon. friend had better think twice before he makes that assertion; otherwise there will be no chance for anyone except the Prime Minister to announce a policy on anything.

Mr. MANION: Nobody on this side is muzzled. When my right hon. friend said that once a cabinet decided on a policy, every minister was at liberty to state it, I said no. I meant that there are times when a ministry decides on a policy which is not to be made public for the time being.

Mr. MACKENZIE KING: Has this one been decided upon but not to be made public yet?

Mr. MANION: I am not attempting to make anything public at the present time; all I am attempting to do is to reply to my right hon. friend. My right hon. leader is quite capable of answering the questions of my right hon. friend, and I would advise him, when he gets an opportunity, to ask my leader

what he meant by such and such a statement. I do not wish to be turned into an interpreter of the views of my right hon. leader, because I might, like my right hon. friend, interpret them wrongly.

Mr. MACKENZIE KING: My hon. friend is becoming more and more like his leader. Each time we ask a question of him we get a lecture in reply, but we do not get much in the way of information.

Mr. MANION: I am sorry if my right hon. friend looks upon this as a lecture; I did not mean it in that way.

Mr. HEENAN: Let me quote these words of the Prime Minister, which I think are emphatic enough to give us an idea of the policy of the government. Speaking at St. John, New Brunswick, on June 30, he is reported in the St. John Telegraph-Journal of July 1, as saying:

> We say that the federal government our administration will build a great national highway in Canada.

That seems to be emphatic enough. The minister just a few moments ago said that he had not read any words of the Prime Minister to the effect that he would build a national highway, but the Prime Minister in that statement, made it very emphatic. Speaking at Cobourg on June 24, as reported in the London Free Press of June 25, he said:

> Mr. Bennett declared the undertaking must be accomplished by the hands of the federal government.

There are two statements within a few days of each other.

Mr. COTNAM: I rise to a point of order. The item under discussion is the Welland Canal. The hon. member is surely out of order in the discussion that is taking place at the present time.

Mr. HEENAN: Mr. Chairman, before you give your ruling, may I say I notice there was no question of order raised until we had pinned the Prime Minister down to an emphatic statement in regard to building a national highway.

The CHAIRMAN: The item under discussion is the Welland canal and the discussion on a national highway is out of order. One way to enlarge the discussion of an item is to amend it; or an hon. member can move an amendment on the motion to go into supply.

Mr. MACKENZIE KING: Might I draw your attention, Mr. Chairman, to the fact that I was careful to ask the minister whether under this particular heading we might discuss these matters that are alleged to be part of the great transportation policy of the government, and the minister agreed. The question of a national highway is one part.

The CHAIRMAN: But if an hon. member raises a point of order, I am obliged to decide it.

Mr. HEENAN: Why did he not raise the point of order before we had pinned the Prime Minister down to a definite statement?

Mr. COTNAM: I think the discussion has gone far enough.

Some hon. MEMBERS: Oh, oh.

Mr. COTNAM: Hon. members may laugh. The ex-Prime Minister has been talking all afternoon about broken promises, and his preelection speech of last summer, but the public did not listen to it. Surely no hon. member knows more about broken promises than my right hon. friend does. I suggest to him that if he goes back to his own campaign speech of 1921 he will find a trail of broken promises all the way across this continent.

Mr. MACKENZIE KING: May I say to my hon. friend that in the last nine months I have learned more about broken promises than I had known in all my life before.

Mr. COTNAM: The right hon. the leader of the opposition talks about broken promises. Up to the present time the government has had no opportunity whatever to implement its promises. If the ex-Prime Minister had been as anxious during his nine years of office to carry out his promises we would not have the situation in Canada with which we are faced to-day.

Mr. POULIOT: The hon. member would interest us much more if he would tell us whether he is a member of the Klu Klux Klan.

The CHAIRMAN: Order.

Mr. COTNAM: I rise to a question of privilege. I would ask the hon. member for Témiscouata to explain exactly his meaning, or withdraw the statement he has made.

Mr. POULIOT: I spoke English.

Mr. COTNAM: But it was very doubtful English. If the hon. member calls it English I would like to have an explanation of his statement.

Mr. POULIOT: If my hon. friend did not understand my language, surely he cannot object to it.

Mr. COTNAM: I do object to the language, and I ask the hon. member to withdraw his statement. I do not know anything about the Klu Klux Klan, and I have no connection with it.

Mr. POULIOT: That is all I wanted to know. I am satisfied with the answer made by the hon. member.

Mr. COTNAM: Mr. Chairman, I ask the hon. gentleman to withdraw his statement.

The CHAIRMAN: Order. I think the hon. member for Témiscouata had better withdraw his statement.

Mr. POULIOT: I said I was satisfied.

The CHAIRMAN: The hon. member from Témiscouata ought to withdraw the statement.

Mr. POWER: Do I understand the ruling of the chairman to be that an hon. member suffers injury when he is accused of belonging to the Klu Klux Klan? If that be the ruling, I think there should be an appeal therefrom.

The CHAIRMAN: My hon. friend is a good lawyer. I shall leave it to him whether or not there has been any injury to the hon. member.

Mr. POULIOT: It is fiery language.

Mr. COTNAM: The hon. member has made a statement which is not in accordance with the fact.

The CHAIRMAN: Certainly.

Mr. COTNAM: And I request that he be asked to withdraw his statement.

Mr. POULIOT: I asked a question, only.

Mr. COTNAM: No, I say the hon. member made a statement.

Mr. POULIOT: I shall gladly withdraw what I have said if my hon. friend finds it injurious to be called a member of the Klu Klux Klan.

Mr. COTNAM: Mr. Chairman, I am not satisfied with that.

Mr. POULIOT: If my hon. friend does not find the accusation injurious there is no reason to withdraw my statement.

Mr. COTNAM: I ask the hon. member for Témiscouata to withdraw his statement without reservation. He made a statement which in fact is not correct.

[Mr. Cotnam.]

Mr. POULIOT: If my hon. friend finds that the statement I made has been injurious I shall gladly withdraw it.

The CHAIRMAN: My hon. friend from Témiscouata knows very well—

Mr. POULIOT: Excuse me; if my statement is not injurious how can my hon. friend complain of it?

Some hon. MEMBERS: Withdraw.

The CHAIRMAN: The hon. member knows that if he makes a statement which is not correct he must withdraw it.

Mr. POULIOT: All right, I shall withdraw it, but in due course I shall put the question to every hon. member from the three western provinces sitting to the right of Mr. Chairman I am satisfied that the question should be withdrawn. We will be given an opportunity to distinguish the black sheep from the white sheep; probably there will be more black sheep with white shirts.

The CHAIRMAN: A point of order has been raised which it is my duty to decide. I am not master of the rules, but to my mind the rule is very clear that—

Mr. HEENAN: May I speak?

The CHAIRMAN: Yes.

Mr. HEENAN: I asked the minister at what stage of the estimates we would be given an opportunity to discuss the national highway, and he very kindly agreed that it would be discussed under miscellaneous items.

The CHAIRMAN: With unanimous consent of the committee.

Mr. HEENAN: If at a later time we are to be deprived of the right we should have it now. At a later stage my leader asked another question the answer to which brought out the point that we were to discuss the highway at this time. The highway has now been discussed for about an hour. I am content that further discussion should be postponed until miscellaneous items are reached. I take it however that the deputy speaker is likely even at that stage, even with the consent of the minister, not to allow us to proceed with the discussion.

Mr. MANION: To clear the matter may I say my hon. friend did not ask me when we would discuss the national highway, and neither did the leader of the opposition. My hon. friend asked when an opportunity would be given to discuss the Chignecto canal, and

I said that opportunity would be afforded under miscellaneous items. I have no control over the order of business in the house. However, I have no information in my department so far as the national highway is concerned.

The CHAIRMAN: The hon. member for North Renfrew (Mr. Cotnam) raised a point of order and it is my duty to make a decision thereon. It is against the rules to discuss any subject under the sun when the committee is considering a particular item. If there is no item upon which certain discussion may be had which hon. members desire to enter upon, they will have the opportunity to propose an amendment when the motion is made to go into committee of supply. If there is no such motion and no particular item in the estimates to which the subject can be related, the discussion must not take place.

Mr. HEENAN: Surely when an examination of the estimates before the committee discloses the fact that certain work is required for which no item appears, the question ought to be allowed as to why no provision for it has been made in the estimates.

The CHAIRMAN: Not under the present rules. The hon. member could move the adjournment of the house or an amendment to the motion to go into supply.

Mr. BROWN: Hon. members would be faced with an objection similar to that raised by the Prime Minister the other day when the hon. member for New Westminster introduced his amendment. Hon. members will recall that the Prime Minister was angry because the hon. member for New Westminster introduced an amendment to the motion that the house go into committee of supply.

The CHAIRMAN: I can only say that I have made my ruling.

Mr. SIMPSON (Algoma): If my hon. friend wished to discuss the trans-Canada highway an opportunity would be afforded him under a notice of motion which now appears on the order paper under the name of the hon. member for North Timiskaming (Mr. Bradette).

Mr. MACKENZIE (Vancouver): We have no guarantee that the proposed resolution will be reached.

Mr. HEENAN: If the Minister of Railways and Canals has not charge of this highway, who would have charge?

The CHAIRMAN: The hon. member is out of order.

Mr. HEENAN: I am learning more this afternoon about the rules of the house than I have ever learned before. How can I ask any hon. member on this side of the house what the policy of the government is and where the money would come from to build this highway? My hon. friends have made the trans-Canada highway a plank in their political platform, and if they are ashamed let them get up and say that they did not mean their statements to be taken seriously. I do not think rules of the house should be used to protect a minister of the crown in connection with statements he has made concerning the trans-Canada highway. The minister has said that the matter is one of provincial concern.

Mr. COTNAM: I think the hon. member is out of order. The Chairman made a ruling, but the hon. member continues to discuss the point in question.

The CHAIRMAN: Yes.

Mr. HEENAN: On the point of order I would like to ask the minister a question.

Some hon. MEMBERS: Oh, oh.

Mr. HEENAN: Have some of the provinces decided not to go on with the national highway?

The CHAIRMAN: Order.

Mr. HEENAN: Are we not going to proceed with the highway?

The CHAIRMAN: The hon. member for North Renfrew has raised a point of order and I think I must decide in his favour. I must request hon. members to confine their discussion to the item under consideration.

Mr. BRADETTE: Under what department will the trans-Canada highway come?

Mr. MANION: I cannot tell my hon. friend that. If there is no item, apparently the highway does not come under the estimates of any department. Hon. members have the opportunity to speak to the matter on going into supply, and it is their privilege to discuss the matter at such a time.

Mr. BRADETTE: According to a report in the newspapers the Minister of Railways and Canals stated in Fort William last winter that some money was being spent by the federal treasury for the construction of the trans-Canada highway.

The CHAIRMAN: Order.

Mr. MANION :I contradict what the hon. gentleman has said. He had better quote the statement. I object to such a statement being put in my mouth. I do not recollect making it.

Mr. BRADETTE: It was said in connection with work on the trans-Canada highway.

Mr. MANION: That is a provincial undertaking.

Mr. BRADETTE: It is provincial and federal. I will quote the words.

Mr. MANION: You had better quote them. Mr. Chairman, the right hon. leader of the opposition asked me some time ago about the number of men who had been dismissed from the Welland canal since we came into power. The list I have shows 31 dismissed out of a thousand or more.

Mr. MACKENZIE KING: How many new appointments have been made?

Mr. MANION: Of those dismissed some were replaced and some were not.

Mr. POWER: What about the Trent canal?

Mr. MANION: One man was dismissed.

Item agreed to.

Chambly, improvements, $55,500.

Mr. RHEAUME (Translation): May I ask the hon. Minister of Railways and Canals to kindly give us the details as to this amount of $55,500?

Mr. MANION: The details of this item, Mr. Chairman, consist of: a wharf at the upper end of St. Johns, $14,500; a guide pier at the lower entrance to Chambly, $13,000; a roadway in the parish of St. Joseph de Chambly, $28,000; total $55,500.

Mr. RHEAUME (Translation): Is the minister in a position to state when the work at St. Johns will be carried out?

Mr. MANION: When the water in the canal is low enough the work will be begun.

Mr. RHEAUME: You have in mind to fix it up this fall?

Mr. MANION: Oh, yes.

Item agreed to.

Trent, improvements (revote), $116,400.

Mr. GARDINER: Will the minister give particulars of this item?

Mr. MANION: Yes. The improvements are made up of many items. I will read them:

1. Gate building plant, Peterborough (revote, $5,500), $8,500.
2. Dredging (revote, $3,000), $12,700.
3. West lower entrance wall lock No. 19, Peterborough (revote, $2,000), $5,000.

4. New 120 cubic yard dump scow (revote, $2,000), $2,000.
5. New hull for dredge Fenelon; also new dipper and tapered grooved drum (revote, $3,000), $5,500.
6. Drilling and blasting to deepen existing channel above Bobcaygeon (revote, $5,000), $7,200.
7. Steel fixed spans to replace Ops bridge, Lindsay (revote, $30,000), $30,000.
8. New hull, boiler and engine for tug J. B. McColl, $9,000.
9. Concrete superstructures for wharves, $2,500.
10. Construction of concrete dam at outlet of Little Bob lake, $1,400.
11. Construction of concrete dam at outlet of Contains lake, $3,850.
12. Rebuilding timber dam at outlet of Little Bear lake, $2,000.
13. Rebuilding timber dam at outlet of Stormy lake, $1,000.
14. Rebuilding and repairs to Reservoir lake dam (revote, $5,000), $5,000.
15. Dam at lock No. 25 (revote, $15,000), $15,000.
16. Changeover for marine railway winch house, Swift rapids, $2,000.
17. Removing obstructions from prism, $1,000.
18. Gas range lights, Washago, $750.
19. Miscellaneous surveys, investigations, etc. (revote, $1,500), $2,000.—Total, $116,400.

Mr. LUCAS: What has been the total cost of the Trent canal up to the present time?

Mr. MANION: The capital expenditure so far on the Trent canal since confederation amounts to $19,000,000.

Mr. LUCAS: I presume the work has all been completed and that this expenditure is for repairs?

Mr. MANION: No, the work has not yet been completed. At the west end of the canal there is a 16-mile stretch that is not completed though comparatively fair-sized boats are passed by means of marine railways. This vote is for necessary repairs and changes here and there.

Mr. LUCAS: Is there any estimate of what the uncompleted work would cost?

Mr. MANION: Yes, $3,000,000.

Mr. GARDINER: What is the traffic?

Mr. MANION: A good many boats use the canal, but I am informed that most of them are pleasure boats, although there is some small volume of freight. I have a comparative statement of the traffic for 1928, 1929 and 1930, showing the number of lockages. I am informed that each lockage represents a boat. For 1928 there were 17,486 lockages; for 1929, 16,705; for 1930, 16,098. I may say that each lockage would mean a boat going through at least one lock, and it might go half way or clear through the canal.

Mr. LUCAS: Is there any revenue to the government from this canal?

Mr. MANION: Yes. The revenue for the year ending March 31, 1929, was $95,378; for the year ending March 31, 1930, $95,934; for the year ending March 31 last, $97,447. The expenditures amounted to $286,000—about three times the revenue.

Item agreed to.

Welland ship canal, improvements, $157,450.

Mr. GARDINER: I should like the minister to give the reason for this separate item.

Mr. MANION: I quite understand the question, because I remember asking it myself when I saw the item. This is rather a complicated matter, but for the sake of information I may tell the committee that there were three canals, the original Welland canal, the late Welland canal and now the Welland ship canal, which is the new, enlarged canal. This has to do with the Welland ship canal, for such things as docks and improvements of that kind. I will give two items, which almost entirely account for this amount. There is a wharf at Homer, just outside St. Catharines, costing $50,000, and a wharf at Welland costing $100,000. Those wharves will be used by the various boats going up and down the canal, which pay dues which I am informed give a very good return on the money invested.

Item agreed to.

Board of Railway Commissioners for Canada: maintenance and operation, $321,100.

Mr. POULIOT: I have just a few remarks to make with regard to two orders which have been issued by the railway board. The first order is No. 45205. On May 1, 1929.

The general manager of the Atlantic region of the Canadian National railways wrote the secretary of the chamber of commerce of Rivière du Loup stating that the Canadian National railways were willing to build a station at that point. There is also a letter from the principal assistant to the president of the Canadian National railways, Mr. Hummel, dated May 28, 1930, which appears in Hansard of March 31, at page 528. There is also a letter from Mr. Fraser to the joint secretary of the railway board, dated July 12, 1930. I have only a translation here, but in the letter it is stated that in the Canadian National Railways budget there is an item for the construction of a new station at Rivière du Loup. There was also a letter from Mr. Rand, general counsel for the Atlantic region of the Canadian National railway, stating that they were anxious to have the work proceed without undue delay. That letter, dated July 14, 1930, also appears in Hansard of March 31, at page 481.

Tenders were received at Moncton on August 26. The order of the board appears at page 614 of Hansard for April 15. I note that this order is dated August 9 of last year, after my hon. friends came into power, and that order was in accordance with the general policy of the Canadian National Railway. On September 19 the minister told the house the matter was under consideration, and nothing was done until October 7, when the Canadian National Railways notified the tenderers that their cheques would be returned to them owing to the fact that the Department of Railways and Canals had refused to sanction the construction of the station. That letter also appears in Hansard for March 31, at page 531.

I wired the Minister of Railways on October 14, a few days after the refusal to construct the station had been announced. That telegram appears in Hansard for March 30 at page 421. On the following day I received an answer, which appears on the same page of Hansard. Then on November 3 of last year a resolution was passed by the city council of Rivière du Loup, which appears in Hansard of April 15, at page 615, and which was acknowledged by the minister as follows:

(Translation) I beg to acknowledge receipt of your letter of the 4th inst., also of a certified copy of the attached resolution.

The construction of the new station at Riviere du Loup will be a question submitted at the inquiry, at the same time as other requests of a similar nature. Your town was not specially signalled out when the subject came up.

I especially draw the attention of the house to this remark.

It was intended to construct a number of public buildings at various places in the district, however the work was not proceeded with owing to the decrease in business.

I thank you for having drawn my attention to that resolution.

I have the honour to be,

Yours sincerely,

(Signed) R. Manion.

The Secretary-Treasurer,
City of Riviere du Loup,
Riviere du Loup, P.Q.

That resolution was also sent to the Board of Railway Commissioners, who answered on November 6 that the matter would be investigated.

On December 9 the assistant chief engineer of the operating department of the Canadian National railways wrote an interesting letter to Mr. Alistair Fraser, assistant general counsel for the Canadian National Railways. I might refer for a moment to the wire from

my hon. friend the Minister of Railways under date of October 15, in which he says that necessary repairs to the station have been sanctioned. At the time the minister came to that decision there was an order of the Board of Railway Commissioners approving the plans for a new station. This was a new policy inaugurated by the Minister of Railways, in contrast with the general policy of the Canadian National railway in that connection.

In answering the resolution of November 3, which has appeared in Hansard, Mr. Hazen, of the Canadian National railways reported as follows to Mr. Alistair Fraser:

With reference to your letter to Mr. Appleton of the 14th ult., enclosing copy of resolution passed by the city council of Rivière du Loup and forwarded to the board of railway commissioners, regarding our station at that point, and your memorandum to me of the 5th inst., file 723-6, asking to be advised as to what answer should be file with the board.

It is quite correct that the railway called for tenders for a new station at Rivière du Loup, but these were entirely too high, and it has therefore been decided to thoroughly renovate the present structure in order to meet the requirements of the travelling public.

Dealing more particularly with the various points raised in the above mentioned resolution, I would advise as follows: Paragraphs 5, 6, 7 and 8 (size of station and hygienic conditions).

The present structure, with certain interior revisions, is considered to be large enough for present traffic conditions, and the hygienic conditions complained of will be rectified by completely renewing, with modern equipment, the toilets and lavatories including the installation of tiled walls and floors, hot water, and improved lighting facilities.

In the public waiting-room terrazzo floors will be installed, lower parts of walls tiled, and upper parts plastered, together with improved lighting facilities.

Upstairs, it is the intention to remove the sheathing from the walls, and replace same with lath and plaster; new hardwood floors will be installed, and all toilet and lavatory fixtures to be renewed along modern lines. The exterior of the building will have the brick-work cleaned and pointed, and woodwork painted.

The building, as a whole, is structurally sound, and it is considered that its complete renovation, both interior and exterior, with slight revisions, in the layout, will make it in all respects a station entirely in keeping with the requirements of the community, and in first-class condition from a hygienic standpoint.

Paragraphs 12, 13 and 14 (unemployment relief program).

No item was included in our agreement with the government for the relief of unemployment, to cover any work at Riviere du Loup station.

It is the intention to carry out the improvements outlined above at the earliest possible date, and it is felt that when same have been completed there will be no cause for further complaint.

Sgd. H. T. Hazen,
Assistant Chief Engineer, Operation Dept.

[Mr. Pouliot.]

This time, apparently, the Canadian National Railways have changed their policy in accordance with the policy of the Minister of Railways in respect to this matter. I waited some time and on January 15 I wired as follows to the secretary of the railway board:

(Translation) Riviere du Loup, P.Q.,
January 15, 1931.

The Secretary,
Railway Commission,
Ottawa, Ont.

Your letter, December 24, F36455 Riviere du Loup station, letter Hazen to Fraser, December 9 does not include construction of cellar. Repairs not sufficient. New building required from every viewpoint.

What was amazing in the report of the railways was the statement that "when the proposed repairs were completed there would be no further cause for complaint." But that memorandum made no mention of any cellar nor of improved foundations and so forth. The railway board answered my telegram on January 16, saying that they would look into the matter. On December 27 I had written to the minister asking for some information about the work to be done and on January 19 I wrote him as follows:

Rivière-du-Loup, P.Q.,
January 19, 1931.

Honourable Dr. R. J. Manion,
Minister of Railways and Canals,
Ottawa, Ont.

Dear Doctor Manion,—

I beg to thank you for your favour of the 14th instant.

Following my letter of the 15th inst., I draw again your attention to the fact that the proposed repairs to Rivière-du-Loup station are inadequate on account of the fact that that building has no cellar and that the sewer system is in a very bad condition.

Sincerely yours,
Jean-François Pouliot.

On January 26, 1931, the railway board forwarded me a letter from Mr. Alistair Fraser, general counsel of the Canadian National Railways. That letter, dated January 23, 1931 reads:

CANADIAN NATIONAL RAILWAYS LEGAL DEPARTMENT
Montreal, January 23, 1931.
Refer to file No. 723-6

P. F. Baillargeon, Esq.,
Acting French Asst. Sec'y.,
Board of Railway Commissioners,
Ottawa, Ont.

File 36455—Appln. of the C.N.R. for approval of plan showing proposed new station at Riviere du Loup, Que.

Dear Sir:—

Replying to your letter of the 16th instant; there is already a cellar under Riviere du Loup station measuring 39 feet 6 inches in length by 23 feet 6 inches in width, located under the

second-class waiting room. The floor area is slightly over one-third of the area of the whole building and is ample to take care of all purposes.

This basement is used for furnace, coal bin, and battery room, and when recently inspected was dry and in good condition.

Yours truly,

Alistair Fraser.

But in the spring and fall there is considerable water in that cellar, which is only about one-third of the floor area of the building, as the railway officials admit.

I wrote to the railway board, telling them about the condition of the cellar, of the foundation and of the sewerage system, and they answered me again to the effect that they were taking the matter into consideration.

On January 30, Dr. Lessard, director of the Board of Health of Quebec, wrote to the secretary of the railway board, and the letter will be found at page 482 of Hansard. The report attached to that letter has not been given to this house and I will take the liberty of reading it:

(Translation)
Emile Nadeau, M.D.,
Associate Director,
Provincial Health Bureau,
Parliament Building,
Quebec.

Sir,—

I have the honour of submitting to you the report of the inspection on the cellar and sewer system of the Riviere du Loup station, as requested by your letter dated the 21st inst.

Cellar: It comprises a space of 40 feet in length by 23½ feet in width and 6½ feet in height, on an average. The walls and floor are made of cement. The ratio of the area of the cellar with that of the building which is properly speaking the station (128 feet in length by 27½ in width) is 1 to 4; the remaining part of the station is on an average 2 feet above the ground. In the cellar are located the furnaces, the coal-bunker, a room for wet batteries, a very large chimney, three brick pillars, a staircase and the various pipes in connection with the sewer and heating systems.

Four shafts 2½ feet by 2 feet each, on an average, provide light to the cellar; there is a door for the coal; there does not seem to be any means of ventilating the place, according to the station staff, in the spring, during the rainy season, water filters through to the cellar.

Sewer system: the main pipe lies at one end of the cellar, on a level with the floor. A drain in the cement floor carries the water to the said main pipe, of which the intake end is not closed, this unfortunately allows noxious gases to escape through the cellar.

Two other drain pipes—A.B.—are connected with this main pipe, as shown on the sketch.

The pipe A drains the urinal, a toilet room and a sink; we are told that very often this drain pipe is blocked up, owing to the fittings being badly done.

The pipe B which drains a number of water closets has nothing noticeable except it is hard to repair, owing to there being only a space of 2 feet, on an average, between the ground and the floor of the station almost throughout its length.

We noticed that when we inspected the place there was a leak in the water pipe.

In brief, I doubt that one can say there is a cellar, when its space covers but one-fourth of that occupied by the building, the sewer system moreover is really defective.

(Signed) J. C. Beaudet, M.D.,
Medical Officer

Riviere du Loup, Jan. 28, 1931.

On February 4, I drew the attention of the railway commission to the report prepared by Doctor Beaudet and forwarded by Doctor Lessard, and the last paragraph of this letter reads as follows:

(Translation) I suppose that you have forwarded these documents to the Department of Railways. I would be very obliged, if you would kindly forward to my address a copy of the answer you will receive, at your earliest convenience.

Acknowledgment of letter received by the railway commission, February 12, 1931:

We have not so far received an answer from the company, and as you request, I shall be very glad to forward you their answer as soon as possible.

Another letter to the railway commission, dated February 5, 1931, to inquire whether the commission had received an answer from the Department of Railways. Acknowledgment of letter received February 7:

(Translation) I shall be glad to forward you a copy of the answer we shall receive from the railway company with reference to the last report of the inspection of the station by the medical officer of the provincial health bureau.

I remain.

Yours respectfully,

P. F. Baillargeon,
Acting Associate Secretary.

On February 16, 1930, I wrote to the minister, as follows:

Riviere du Loup, P.Q.
February 16, 1931.

Honourable R. J. Manion,
Minister of Railways and Canals,
Ottawa, Ont.

Dear Dr. Manion,—

Following our previous correspondence, I have sent you last week the third instalment of the story of the intrigues made by some people to prevent the building of a new station at Riviere du Loup.

You wired me on October 15th ult., that the necessary repairs to the station had been sanctioned.

I regret to say that the proposed repairs are wholly unsatisfactory because there is a 6-foot cellar in only one-fourth of the building and the repairs do not include the construction of a cellar nor any improvement in the present sewer system.

This is why I take the liberty to herewith enclose copy of a letter from Dr. A. Lessard, Director of the provincial Board of Health, to the Board of Railway Commissioners and of an additional report on the sanitary condition of the station by medical officer J. C. Beaudet, M.D. May I add that the foundations of the buildings are in a very bad shape.

I am sure that those facts have never been brought to your attention by the Canadian National Railways.

Therefore it is my duty to ask you to kindly reconsider the decision of the department regarding the immediate construction of a new station at Riviere du Loup.

On February 19, I wrote as follows to the secretary of the railway board:

(Translation) Pursuant to your letter dated February 7, would you be kind enough to let me know what answer you received from the Canadian National Railways with reference to the last report of the inspection of the station by Doctor J. C. Beaudet, of the provincial health board?

On February 20 I received the following letter:

(Translation) I wish to acknowledge receipt of your letter of the 19th inst. in connection with the business herein mentioned and I must say that we have not yet received an answer from the railway company with reference to the inspection of the station by Doctor J. C. Beaudet, of the provincial health board.

As stated in my letter of the 7th inst. I shall be pleased to forward you a copy of the answer expected from the railway company.

On February 23, 1931, I wrote to the hon. minister as follows:

Dear Doctor Manion,—

Pray find herewith enclosed copy of my letter of February 16th and of the enclosures,

As you have wired me on October 15th ult. that the necessary repairs to Riviere du Loup station had been sanctioned and as the proposed repairs by the Canadian National Railways do not include the construction of a cellar therein nor any improvement in the present sewer system nor repairs to the foundation, be kind enough to let me know at your earliest convenience if it is your intention to reconsider the decision of your department regarding the immediate construction of a new station at Riviere du Loup.

Hoping to hear from you soon and with anticipated thanks.

Sincerely yours,
Jean-François Pouliot.

Mr. DEPUTY SPEAKER (Translation): I think the hon. member is reading too fast for the Hansard reporters.

Mr. POULIOT: I shall hand them over the text. It is to save time that I am reading fast.

Mr. DEPUTY SPEAKER: It is contrary to the Rules of the House to hand over the text to Hansard.

[Mr. Pouliot.]

Mr. POULIOT: How can we help it? They always ask us to do so and we hand it over to them. If you think, sir, that it may be prejudicial to the house, I am willing to read slower—as slow as the hon. Postmaster General (Mr. Sauvé).

I have your letter of February 23rd with enclosures. As you are already aware, it has not been possible to provide a new station at Riviere du Loup for financial reasons. As you are also aware, the revenues of the railways, instead of improving, are decreasing, and these revenues in the case of Riviere du Loup and vicinity are further decreased by the twenty per cent reduction from normal rates accorded shippers in the maritime area. Under the circumstances, I can see no early hope or expectation of the provision of a new station at Riviere du Loup. The railway management is, however, partially from revenues and partially by capital appropriation in the estimates, endeavouring to find $15,000 for necessary repairs and improvements to the present structure. I, personally, trust that nothing may occur to prevent this expenditure being made.

On February 25, 1931, I wired to the hon. minister. This telegram which appears already on page 482 of Hansard of March 31, 1931, is as follows:

May I draw your attention to my letters of 16th and 23rd instant. As proposed repairs to Riviere du Loup station do not include construction of basement therein nor improvement to sewer system nor repairs to foundation. Will you sanction same as satisfactory although condemned by board of health? If you do not approve proposed repairs will you reconsider decision regarding immediate construction of new station building?

I was advised by the minister's private secretary that the minister was out of his office at the time of the receipt of this wire.

In answer to the memorandum prepared by Doctor Beaudet, the Canadian National Railways on March 3, 1931, wrote to the railway board as follows:

File 26455—Appln. of the Canadian National Railways for approval of plan showing proposed station at Riviere du Loup, P.Q.

Replying to your letter of the 7th ultimo; I submitted Dr. J. C. Beaudet's report to our general manager at Moncton, and have received his reply, extracts from which are given below:

Paragraph 3. . . . . There seems to be no ventilation. . . .

Originally there were two holes left in the basement wall, but one has become plugged up and the other is used as a port through which electric wires enter the building. Generally in a small building no special provision is made for ventilating the basement, the effect being obtained by the furnace draft and ordinary infiltration of air.

. . . . there is water in the cellar during the spring rains. . . .

It is possible that some water would collect in the basement at some time in the spring when the ground is saturated and the supply

augmented by discharges from the rain water leaders, which simply spill upon the ground outside the walls. When an inspection was made by one of our engineers, December 22, 1930, there was no water in the basement.

Paragraph 4. . . . . very offensive odours spread throughout the cellar. . . . .

This is apparently due to the absence of a trap where the cellar floor drain connects with the main sewer.

Paragraph 6. . . . . pipe is blocked due to defective connections.

The piping in general is in poor condition and requires renewal.

Paragraph 8. . . . . water flowing from aqueduct pipe. . . .

This condition has since been rectified and was due to a broken toilet fixture.

Paragraph 9. . . . . doubt whether it can be stated that there is a cellar. . . . .

In stations it is not customary to construct basements the entire area of the building, and the basement area is generally confined to a size suitable for the requirements of the heating apparatus and coal bin.

An item has been inserted in our 1931 budget for the renovating of this building, in the following manner:

Ground Floor

New terrazzo floor on concrete slab.
New plaster work and tile dado.
New toilet fixtures.
New station seats.
Painting and tinting.
New lighting fixtures and wiring.

Upper Floor

New hardwood floors.
New toilet fixtures.
General repairs to plaster work.
Painting and tinting.
New lighting fixtures and wiring.

General

Hot water system to wash basin.
Exterior brickwork painting.

When this work is in progress it will be necessary to disconnect the entire plumbing system and this will call for a thorough overhauling of all piping before again being placed in service.

It is too bad that the railway company provides only a small hole for a cellar in the buildings used as stations; that is not conducive to the health of the travelling public. First of all, in 1929 the building was inspected by the board of health, who reported to the railway company that it was in bad condition. After that report the Canadian National Railways decided to build a new station at Riviere du Loup. The order of the board dated August 9, 1930, reads as follows:

Upon the report and recommendation of the chief operating officer of the board, the city of Riviere du Loup offering no objection, although duly notified—

And it then goes on to approve the plan. The second order, dated March 27, 1931, reads as follows:

Upon reading the submissions filed on behalf of the railway company, the board of trade of Riviere du Loup, the provincial hygiene service, and the city of Riviere du Loup; and upon the report and recommendation of the chief operating officer of the board—

And it then goes on to rescind the previous order. The board of health objected to the present station and wanted a new one built, and their submission will be found in Hansard of March 31 and April 15. The submission of the chamber of commerce will be found in Hansard of April 15 at page 614. The submission of the city council will be found in Hansard of April 15, at page 614, and April 21 at page 914.

In arriving at a decision the railway board used certain documents which had been filed in favour of a new station, and in revoking their order they used the same public documents. The hon. minister is a very brilliant man and he is a very good doctor. When I first started this discussion I said that he was a good minister, but I am not quite ready to say that to-day. I emphasize that he is a good doctor but—

An hon. MEMBER: How is he as a minister?

Mr. POULIOT: I am not ready to express an opinion; I am on the fence.

Mr. LAPOINTE: There is a moratorium on that.

Mr. POULIOT: As my hon. friend the former Minister of Justice has said, there is a moratorium on that.

After reports were duly made by people who were perfectly independent of anybody, the statement of the board of health being that it was a very unsanitary building, dangerous to the health of the people, and a disgrace to a promising city like Riviere du Loup, it was then agreed by the railway to erect a new and decent building. All that was settled. I understand the members of the cabinet are jointly and severally responsible for what is done by one of them. My hon. friend the Minister of Railways is not responsible for this as an individual, but he is responsible for it as a member of the cabinet. I do not blame him for that refusal.

Mr. LAPOINTE: Whom does the hon. member blame?

Mr. POULIOT: I blame his colleague the hon. member for Argenteuil, but in fact, as the other members of the government share the responsibility of that hon. gentleman, they will have to be all blamed together. I do not wish to be as cruel as that. I wish

to have fair play. I do not understand how the Board of Railway Commissioners could have for the same reason rescinded not long ago a decision that they had given on the 9th of August. They rescinded it in order to conform to what had been said by the hon. gentleman that improvements would be made to the building. I have read to the committee the letter of the Canadian National Railways under date of March 3 in which they mentioned the proposed improvements. They make reference to no improvement to the cellar, no improvement to the foundation, no improvement to the sewer system. As a member who is proud of his constituency and who wishes to be fair to his people—and I shall have an opportunity before the end of the session to tell the Minister of Railways and Canals that I have been just as fair to the Conservatives as to the Liberals in my constituency—I ask him in the name of all my constituents that this injustice be rectified. What has been done is most unfair, and in the name of all my constituents, independently of party, I ask him kindly to see to it that the Canadian National Railways adhere to their first proposal, which would give fair treatment to the people of Riviere du Loup.

Mr. MANION: The hon. gentleman has apparently intentionally talked until two minutes to six o'clock so that there cannot possibly be any reply.

Mr. POULIOT: The matter will come up again. I spoke as fast as possible, and I thought I could conclude. My hon. friend will have the whole evening in which to reply.

Mr. MANION: I want to have it on Hansard so that my hon. friend may not be misunderstood.

Mr. POULIOT: That is quite right.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 21, respecting the Montreal and Atlantic Railway Company—Mr. Turnbull (for Mr. Pickel).

[Mr. Pouliot.]

CANADIAN PACIFIC RAILWAY

The house in committee on Bill No. 15 respecting the Canadian Pacific Railway—Mr Willis—Mr. Casselman in the chair.

On section 1—Line of railway authorized.

Mr. JOSEPH A. MERCIER (Laurier-Outremont): Before this clause is passed I should like for a few moments to make certain observations in connection with it. Through this bill the Canadian Pacific Railway asks permission to construct a certain line of railway. Clause 1 of the bill is as follows:

> The Canadian Pacific Railway Company, hereinafter called "the company," may within two years after the passing of this act commence to construct a line of railway from a point on the company's railway between Breslay station and its terminus at Place Viger in the city of Montreal, county of Hochelaga, thence in a generally northerly direction through the counties of Hochelaga and L'Assomption, to a connection with the company's railway at or near L'Epiphanie, all in the province of Quebec.

The distance between Place Viger and Breslay stations is about five miles, figuring in a direct line. By the railway it takes twenty minutes to go from Place Viger to the Mile End station, which is in my division, and I would say that the Breslay station—which by the way is the new station under construction by the Canadian Pacific Railway Company at the northern extremity of Laurier-Outremont—is possibly one mile farther away than the Mile End station, making the distance between the Place Viger station and the Mile End station six or seven miles. The railway company may construct this line at any point over this distance of six or seven miles. The northeast section of Montreal has a sufficiency of railway lines. and we who represent the people in that section of the city, which is very densely populated, are opposed on general principles to the construction of any further lines. Speaking more particularly of my own division, I wish to emphasize the fact that there are no vacant lots in the northeast section of Laurier-Outremont. The Canadian Pacific Railway is doing a good work in the construction of the new Breslay station on Park avenue and Jean Taillon streets; much benefit will result in the furtherance of the development of this northern part of the city. I understand the station is to cost about a million and a half dollars, and that it is a handsome structure which when finished will reflect credit upon the part of the city in which it is located.

The question of building this line came up before the railway committee on Wednesday and Thursday of this week. Certain amendments were offered to the bill but were not accepted by the committee. The company submitted a plan on which was indicated the probable line the railway would take. The plan of construction has not yet been prepared, and before the committee the company had no definite plan to offer. As I have stated, the company merely indicated on a map the general direction in which the line was to be constructed. On the plan presented appeared a line in heavy red ink about three-quarters of an inch wide was all that indicated the location of the new line. Mr. Flintoft, the attorney for the company, was asked if that red line indicated any particular point on the present railway line between the Place Viger station and the new Breslay station from which the new line would start. He answered that as yet no plans had been prepared but that the map before the committee simply showed the general direction in which the line was to run, and that the company did not know at which particular point the new line would start. I suppose if the Canadian Pacific Railway is spending over a million dollars for the construction of a new station in the north end of Montreal it intends to use it to the greatest extent possible. The Breslay station is in a direct line immediately south of the station at L'Epiphanie in the county of L'Assomption where the projected line is to join the main Quebec line of the Canadian Pacific Railway. If the company takes the shortest distance between Breslay station and L'Epiphanie the line will pass right through the heart of Laurier ward in my constituency, one of the most thickly populated sections of the city of Montreal, with the result that the property owners in that section of the city will have their property ruined because this is to be an elevated railway. The company, through its attorneys, stated before the railway committee on Wednesday that it was not its intention to build an underground or depressed line owing to the cost of such construction, but that it was its intention to build an elevated road. This means that the property adjoining the projected line will be of no value and we shall be faced with a situation similar to that which confronted us in connection with the construction of the new terminal facilities of the Canadian National Railways, which involved elevated lines into the city of Montreal. As representing one of the divisions of that section of the city, I am strongly opposed to the passing of this bill until such time as the plans are submitted to the committee in order that we may know the exact location of the line. As I said at the outset, the Canadian Pacific Railway has other lines in that section of the city, and it could very easily make use of its existing lines in the construction of this short cut to Quebec. We are all in favour of shortening the line to Quebec, which is one of the heavily travelled lines of the Canadian Pacific into the Montreal district. I understand that by going directly through l'Epiphanie there will be a saving of some fourteen miles. It is only natural that the company should desire to shorten its line, but there is no reason why the same serious situation as arose in connection with the Canadian National Railways should be created in this case, and I submit, Mr. Chairman, that the committee should not pass this section until such time as plans are submitted showing the exact location.

I am availing myself of this opportunity to express my dissent in the hope that the electors in that part of the city which I represent will be made aware of the intention of the Canadian Pacific Railway Company and will in turn voice their dissent to the construction of the proposed line. I repeat, I hope the committee will not pass the section.

Mr. ST-PERE (Translation): Mr. Speaker, the few remarks which I intend to make with reference to clause 1 of Bill No. 15, will be, so to speak, but a repetition or a second edition of those that I made before the railway committee, Wednesday last.

Clause 1 reads as follows:

1. The Canadian Pacific Railway Company, hereinafter called "the company," may within two years after the passing of this act commence to construct a line of railway from a point on the company's railway between Breslay station and its terminus at Place Viger in the city of Montreal, county of Hochelaga, thence in a generally northerly direction through the counties of Hochelaga and L'Assomption, to a connection with the company's railway at or near L'Epiphanie, all in the province of Quebec; and may within five years after the passing of this act complete the said line of railway, and if within the said periods respectively, the said line of railway is not commenced or is not completed and put in operation the powers of construction conferred upon the company by parliament shall cease and be null and void as respects so much of the said line of railway as shall not then have been commenced or completed, as the case may be.

The fact that said line will follow a certain route in the county of Hochelaga obliges me to oppose the adoption of this clause. I wish to state, sir, that the county of Hoche-

laga and especially that part of my riding which includes Hochelaga and Préfontaine wards, is at present diagonally crossed from the southwest to the northeast by the Canadian National line which runs between Moreau street station and the city of Quebec. This line in use for a number of years runs through church and school areas. Let me point out that it is a serious impediment to traffic. a constant danger to pedestrians and school children, that religious and school authorities, property owners and residents of these two wards of my constituency in Montreal, strongly oppose the building of this line —either as a level, overhead or underground line. It may be somewhat of a surprise to hon. members to hear the member for Hochelaga protesting against the construction of this new railway because many think that a new line almost invariably contributes to the prosperity of the district it crosses. I must say that we think differently and following instructions forwarded to the member for Hochelaga on behalf of property owners, tenants, and the authorities previously mentioned, nothing in the world will induce me to vote in favour of such a clause.

There is another railway which crosses the centre of Préfontaine ward. This overhead line was built by the Canadian Pacific railway and has never been in use owing to the protests made at the time by the city council of Maisonneuve. This line which passes through the centre of this section, like those located south of Ontario street, has been for a number of years detrimental to the erection of new buildings. It was greatly responsible for the depreciation of property in that part of my constituency, and the pillars of this overhead line are a constant danger to automobiles.

Mr. Speaker, owing to the protests which I received, because of the vague wording of this clause, which does not specify the starting point of this line, I must, on behalf of the residents of that section of my constituency, acquaint the house that in order to comply with the objections raised by my constituents, I shall be obliged to vote against clause 1 which requests the construction of a new line which will be, so to speak, but a branch of the present one.

At the last meeting of the railway committee, I was somewhat astonished when a letter received from Mr. Fairweather, of the Canadian National Railways, was read, offering, as a solution for this new difficulty, to allow the Canadian Pacific the use of the present Canadian National lines. May I remind Mr. Fairweather that, in 1929, when the Palmer scheme was discussed in the railway committee, Mr. Brown, chief engineer of the Canadian National, gave his word so as to meet my wishes and that of one of the councillors of that section of my constituency, that the freight passing over the Canadian National line in Hochelaga and Maisonneuve would only be put in the sheds at night when the building of the central terminal of Lagauchetière street would be completed. Can we suppose that this pledge will be carried out if the Canadian Pacific Railway accepts the offer just made by Mr. Fairweather? Then, what would become of the pledges given to the member for Hochelaga and the councillor of the Préfontaine ward when the Palmer scheme was discussed in 1929? The people are at present opposed to the freight being put in the sheds during the day, because this delays the traffic of motor vehicles at the numerous railway level crossing gates which are almost invariably closed. Can one reasonably suppose that my constituents will accept such an arrangement? I therefore oppose, on their behalf, the building by the Canadian Pacific Railway of any new short branch between Montreal and "Epiphanie," if this line is to cross the wards previously mentioned. As stated before I strongly object, because such a line would depreciate property, prevent landlords renting their houses advantageously, because it would be a constant source of danger for pedestrians and school children, would delay traffic, and finally because far from contributing to the general prosperity of these two wards, it would be a burden for that eastern section of Montreal included in my constituency. For these reasons I shall vote against clause 1 of Bill No. 15, intituled An Act respecting the Canadian Pacific Railway.

Mr. DENIS (Translation): Mr. Speaker, not being a member of the railway committee, I had not the opportunity of studying and discussing this clause which gives to the Canadian Pacific Railway company the right of constructing a railway from a point located on the main line, between the Breslay station and the terminal at Place Viger station. I wish to strongly protest against clause 1 because the construction of this line would only serve the interests of that railway company and in no way those of citizens residing in the various sections that said line is to cross. This railway will be built through the centre of Montreal and will cross the best sections, Laurier-Outremont, my constituency (St. Denis) and also Hochelaga and Maisonneuve, counties which are at present well provided for. I therefore do

not see any good reason for authorizing the Canadian Pacific to build this line of railway.

Neither can I understand why the company, in its request did not specify the exact starting point; it only mentions "a point located between the Breslay station and the Viger station." Why not specify the exact starting point of this line and thus avoid creating uneasiness among those who object to having their section crossed by a railway which would depreciate the value of their property. As representative of the county of St. Denis, wholly settled and inhabited by a population which has made great sacrifices to comfortably house themselves, I must protest in order to safeguard the interests of the citizens of my constituency preferably to those of the Canadian Pacific company. I would not like to see a railway cross diagonally my county, from the northeasterly boundary to the southwesterly one passing through the beautiful parish of St-Edouard, then across the lovely parishes of St.-Ambroise and St-Jean-Berchmans. I ask hon. members of this house, to fully consider this clause and to reject it. The clause under discussion is not couched in precise language and we should not, by our vote, give a blank signature to this company which will use it to destroy the sections which form a beautiful background to the city of Montreal. In the northern and southern parts of Montreal we have sufficient railways to provide for the population. If the Canadian Pacific Railway needs to shorten its line between Montreal and Quebec, it seems to me that it could come to an agreement with the Canadian National Railway Company, so that trains might utilize the new line which the latter will build in the northern section of the city, instead of disfiguring the picturesque and artistic appearance of Montreal, as well as depreciating real estate in that part of the city. For all these reasons, sir, I strongly protest against this clause and I must ask hon. members of this house to withhold their approval from a move tending to depreciate sections which are an element of beauty, greatness and prosperity for the city.

Mr. ROBITAILLE (Translation): Mr. Speaker, I wish to associate myself with my fellow-members, as the representative of the lovely county of Maisonneuve which is situated at the extreme eastern end of the Montreal island.

The proposed railway would no doubt cross the county of Maisonneuve, although its location is very indefinite. The Canadian Pacific Railway Company intends, according to this bill, to construct a line from a point located between the Viger station and that of Breslay, thence mostly in a northerly direction. The north is not specified, whether it be the magnetic or true north; however, if the starting point be near the Viger station, the whole centre of Montreal will be crossed in a northerly direction, if on the other hand, the starting point is near the Breslay station, it will be impossible for the line to take a northerly direction in order to reach the county of l'Assomption, it would necessarily cross the county of Terrebonne. I therefore contend that the committee cannot accept clause 1 in respect to the building of a line through the city of Montreal.

The section of my constituency which would be crossed by this proposed line is partly urban and partly rural.

There is already the proposed railway line of the Canadian National which is to cross that part of my county, however this railway will not extend as far as that of the Canadian Pacific because the Canadian National line would be built towards Longue-Pointe so as to join the main line there, while the Canadian Pacific Railway seems to want to build much further north and would thereby cross prosperous farms and thus be very detrimental to farmers. The committee should not accept such an indefinite clause. Let the railway company submit its plans to us and we may judge then whether our people can approve this scheme. I would be pleased to second the efforts of the Canadian Pacific Company at this time of depression,—if the construction work began soon it would certainly relieve unemployment,—however, for the reasons given it is impossible for us to accept clause 1 as at present worded.

The CHAIRMAN (Mr. Cowan, Port Arthur): Shall the section carry?

And the yeas and nays having been called:

Mr. MANION: Before you take the vote, Mr. Chairman, I should like to say a word. I thought some other hon. members were going to speak, or I should have been on my feet before you called for the yeas and nays. I have in my hand a letter from the Canadian National railways which was read before the committee, at which I had not the opportunity of being present because I was out of the city. The attitude of the Canadian National railways is expressed in this letter, written by the counsel of the Canadian National railways to the counsel of my department:

For the information of the minister and of the railway committee, I have to advise you that the Canadian National does not propose to appear to offer opposition to Bill 15, entitled, "An Act respecting the Canadian Pacific Railway Company."

We desire to suggest, however, that the territory, through which will run the very indefinitely described line specified in section 1, is or will be served adequately by lines of the Canadian National now existing or under construction and that what appears to be economic waste on proposed new construction can be avoided by securing through running rights (the same as they gave us at Port Arthur) if the same be necessary, over the national lines.

In other words the Canadian National itself is not opposing this line, therefore from the standpoint of the two railways there is no reason why anyone—I am speaking now to justify my own vote, because I intend to vote for the bill—should vote against it. But may I say that I sympathize with my hon. friends who have spoken representing that section of the city of Montreal which will be affected. They do not wish their whole city cut up by various railway lines. I also sympathize with the idea expressed in this letter that we should not permit unnecessary duplication of railway lines. We all know that that sort of thing in the past has to a large extent brought about the sad condition of railway affairs in Canada today, and it should be the duty of all members of this house and of all citizens of Canada to avoid as far as possible any further duplication.

Therefore I undertake on behalf of the government to suggest, in writing, to the Board of Railway Commissioners that before the plans of the Canadian Pacific Railway are approved by the board—which must be done in connection with all plans of that kind—the board give an opportunity to the city of Montreal and other interested sections of Quebec to appear before them and show cause why the Canadian Pacific Railway, if it builds this line, and the Canadian National Railway, in connection with lines it has built or is about to build, should get together and obtain common running rights for the two roads over the one line. That appears to me the sensible position to take.

Mr. HANSON (Skeena): That is a good explanation; the bill was explained that way in committee.

Mr. MANION: This bill did come before the committee, as the hon. member says, though I was unable to be present. The committee accepted it, but in view of the fact that the government are quite willing to take that attitude towards the two railway companies and ask the board to give an opportunity to all concerned to show why unnecessary duplication should not take place, and why the two roads should combine and receive common running rights, I think this bill might pass.

Mr. MACKENZIE (Vancouver): Are they not bound to give that opportunity in any case?

Mr. MANION: No, I do not believe so. However, to avoid any misunderstanding I will put myself on record as suggesting to the board, on behalf of the government, that this opportunity be afforded.

Mr. MERCIER (Laurier-Outremont): There was a suggestion in the committee that the bill should be amended to make the city of Montreal and other interested districts parties to the case, but that suggestion was not accepted.

Mr. MANION: If the government requests the Board of Railway Commissioners to give Montreal and other interested districts an opportunity to appear in this matter, the Board of Railway Commissioners would hardly dare take any other course. I suggest that under these circumstances, the committee, in view of the fact that the Canadian National Railways are not opposed to the bill, and in view of what I have stated on behalf of the government, accept the bill. I do not think there will be any difficulty whatever if these two railways get together and share running rights on terms suitable to both and approved by the Board of Railway Commissioners.

Mr. VALLANCE: I was a member of the railway committee where this bill was discussed, and I think I ought to say a word or two. I was not able to follow the hon. gentleman who spoke in French, but I did follow the hon. member who spoke first. He reechoed the objections which were raised in the committee, the most serious of which was the fact that the city of Montreal was not a party to this application. It was pointed out to them, however, that under the Railway Act, as administered by the Board of Railway Commissioners, it was obligatory to hear all who made representations regarding any application for a charter. It has been suggested that the line is indefinite. Well, I have followed with interest, both before and after I became a member of this house, the granting of charters here, and at no time have I ever known of a railway that was surveyed and a definite route plan laid down before the charter passed through this house. This line is in exactly the same position. As

to whether it should be an elevated railway or underground, or a surface railway, that is a matter of policy within the jurisdiction of the Board of Railway Commissioners, who will suggest to the Canadian Pacific Railway just where the line should go. This bill was thoroughly discussed in the railway committee, and in order to be consistent I shall certainly have to support it.

Mr. WILLIS: As sponsor of the bill I might say a word with reference to the objection of the city of Montreal. Mr. Flintoft, the solicitor for the Canadian Pacific Railway, has already written the city of Montreal, agreeing to furnish them with plans, maps and all other material necessary to enable them to be heard before the board. The city of Montreal is therefore safeguarded. As has been said, this bill was before the railway committee. There were two hearings and the city of Montreal was represented by its solicitor and, as well, by the mayor. I might read the section of the Railway Act which is of importance in connection with this discussion:

Provided that any complaint made to them—

That is, the Board of Railway Commissioners.

—shall, on the application of any party to the complaint, be heard and determined in open court.

Objection has been made that in some Canadian National case this was not done; but, as I have stated, the Canadian Pacific Railway, in this instance, has agreed in advance that this course will be followed. I am not personally concerned with the bill; I am merely sponsoring it. As a matter of fact, I live thousands of miles away from Montreal. I do think, however, that the bill ought to go to the proper tribunal, the Board of Railway Commissioners, for consideration.

The CHAIRMAN: Shall section 1 carry?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Section agreed to on division: yeas, 60; nays, 14.

Sections 2 and 5, inclusive, agreed to.

Bill reported.

KETTLE VALLEY RAILWAY COMPANY

The house in committee on Bill No. 14, respecting The Kettle Valley Railway Company—Mr. Stirling—Mr. Cowan (Port Arthur-Thunder Bay) in the chair.

On section 1—Line of railway authorized.

Mr. NEILL: Will the hon. member in charge of this bill tell us the length of the line and give us some reason—probably there is one—for the fact that the charter appears to have been extended sixteen times in thirty years?

Mr. STIRLING: This bill seeks permission to construct a line of railway about eight miles in length on the west side of Skaha lake. The Kettle Valley Railway southerly from Penticton was interrupted by Skaha lake and traffic has been carried on the lake by scow since 1912 or 1913. There is a considerable amount of traffic developing in the southern part of the valley and it has proved most inconvenient to carry all of that service on the lake by scow. The hon. member for Comox-Alberni is not quite accurate in saying that there have been ten extensions of time. The time extensions for this particular piece of work have been three in number: chapter 140 in 1913; chapter 46 in 1915; and chapter 54 in 1918. The other references in the bill do not apply to this particular piece of line.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

SECOND READING

Bill No. 48, respecting The Algoma Central and Hudson Bay Railway Company.—Mr Simpson (West Algoma).

CRIMINAL CODE AMENDMENT

Mr. A. W. NEILL (Comox-Alberni) moved the second reading of Bill No. 43, to amend the criminal code.

He said: Mr. Speaker, I did not intend to ask that the bill be read a second time; I asked that you might call it nine o'clock, as it is hardly possible to express my views in five minutes. When I was speaking the other night on the introduction of this bill I said that I would not press the second reading, but I hope that members did not understand by that that I would not move the second reading. My idea was that an opportunity should be granted to obtain the views of both those opposed and those in favour of this amendment. Even during the short time this bill has been on the order paper I have received a lot of valuable data

from business firms and associations, which I think might be properly laid before the house. Unless I gave the figures the house would not realize the extent of the evil referred to in this bill. One business men's association in Winnipeg reports that in one year one-third of their members received 70,000 bad cheques aggregating a total of over $5,500,000. That statement alone would show the necessity for a bill such as the one I am sponsoring. If time would permit I should like to read some of the comments both for and against this bill.

Canada is behind other countries with legislation of this kind. A number of other countries have a specific method of dealing with the matter, whereas this country proceeds under the criminal code section dealing wth obtaining goods under false pretences, and which has been found to be quite inadequate to meet the situation. It is nine o'clock, Mr. Speaker.

SUPPLY

DEPARTMENT OF RAILWAYS AND CANALS

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

Miscellaneous—Board of Railway Commissioners for Canada: maintenance and operation, $321,100.

Mr. POULIOT: Mr. Chairman, the minister was to give me some information.

Mr. MANION: My hon. friend spent some time before six o'clock dealing with a proposal to build a station at Rivière du Loup. May I suggest to him once again that the committee is fully informed on that question, and the matter will be given consideration. The hon. member seems to have the impression that Rivière du Loup is the only place in Canada which has been denied a new station. As a matter of fact, over $8,000,000 worth of additions and betterments of one kind and another for the Canadian National Railways —which sum was voted last year in the estimates—have had to be postponed. In other words, the railway station at Riviere du Loup, which was to cost between $75,000 and $80,000—we will take it at $80,000, to have a round figure—is exactly one per cent of the works which were deferred last year by the railway company; it is just one in a hundred. The hon. gentleman therefore has no right to feel that Riviere du Loup was treated so much worse than many other parts of the country, since projected expenditures aggregating between $8,000,000 and $9,000,000 were similarly delayed.

[Mr. Neill.]

The other evening my hon. friend asked what had become of the money which, as he said, had been voted; why was it not spent on the Riviere du Loup station? Recently he wrote a letter to the Ottawa Citizen in regard to the same question. Let me tell him what became of the money. It was used for some other purpose by the national railways. The national railways have had, in the past at any rate, power to switch moneys voted for one purpose to another. This is a power which has not, as a matter of fact, been possessed by the Canadian government itself, and I do not mind saying quite frankly I do not believe the Canadian National Railways should have this power to any great extent, and certainly not to the extent they have had it in the past. I believe that when appropriations are passed in the house the money so voted should as far as possible be spent upon the item for which it was voted, or it should not be spent at all. Unfortunately, however, that has not been the case heretofore, and I repeat that in the past year between $8,000,000 and $9,000,000 that were voted for certain purposese were used for other purposes than those for which the money was voted. I come back again to tell my hon. friend that the case of Riviere du Loup was merely one of those estimates, totalling between $8,000,000 and $9,000,000 which were voted by the House of Commons last year and which were switched to other purposes. I have endeavoured to answer the hon. gentleman's question as propounded in the house a few days ago in regard to what became of the money and I have tried to show him that Riviere du Loup was treated no worse than many other sections of the country.

Mr. HEENAN: Riviere du Loup has a very good representative here, and I wish I could fight for my riding as my hon. friend does for Riviere du Loup. While unfortunately Riviere du Loup is not in my riding, I want to point out to the minister that an amount of $1,500,000 was paid out of the unemployment relief fund for the purpose of encouraging the railroads to proced with a program of work which the railroads felt they should not have proceeded with ordinarily for, as the minister said, probably one, two and in some cases as long a time as four years. This was done for the purpose of taking care of unemployment. Does it not seem bad business to go on with and spend $1,500,000 on work that will not be required for three or four years when they could have spent $50,000, $60,000 or $75,000, I do not know how much, in one portion of the country

where a station has been burned down, and thus enable the commerce of that section to be handled properly?

Mr. MANION: Let me correct my hon. friend. The station at Riviere du Loup was not burned down. In any case the works in regard to which the government gave this one and a half million dollars to meet interest charges, were works proposed by the Canadian National and Candian Pacific Railways themselves. A meeting was held in my office, later in the office of the Minister of Labour, and railway officials were present. An understanding was reached that they would submit a program of works on which the government would pay the interest for a year or a year and a half in view of the fact that the railways were doing the work in advance of the time that they would ordinarily have done it. The railway officials went away, worked over their plans and later submitted them; but I regret to say that among the works which they proposed to do, they did not include the station at Riviere du Loup to which my hon. friend refers. It was never discussed: it was never proposed, and so far as I know, it was never thought of. The matter was not brought to my attention at all. We agreed to the works which the railways themselves proposed, and which they said were the most suitable ones to carry out under the conditions imposed.

Mr. HEENAN: I quite appreciate the fact that neither the Minister of Railways nor the Minister of Labour could think about the station at Riviere du Loup when the railways presented their program of work; but, on the other hand, it might have occurred to someone that the amount required for this station had already been voted under a previous administration, and it is strange that not knowing anything about the territory the railway companies could plan a program of work to relieve unemployment in other parts of the country when they could not spend in my hon. friend's riding money already voted for work to be done in it. I take it for granted that there was unemployment in that riding.

Mr. HANSON (Skeena): The same thing applies to Prince Rupert. Last year an estimate was passed for $250,000 for an hotel. Since then the national railways found it necessary to spend money in Vancouver, so we are still hoping for $250,000 to replace the corresponding amount that they have spent in other parts of the country.

Mr. POULIOT: I appreciate very much what the ex-Minister of Labour has said. He is a former railway employee, and if next summer he visits Riviere du Loup, I am sure he will receive an ovation from the people connected with the railways and, indeed, from all the people of that district. I also thank the Minister of Railways for his kind words to-night. I am glad to see that he is in a good humour at this sitting.

Mr. GOTT: Will he get an ovation too if he visits Riviere du Loup?

Mr. POULIOT: That depends on what he will do in the future. If my hon. friend visits us, we shall find a nest for him.

Mr. GOTT: Another one than that which the hon. member has for himself.

Mr. POULIOT: A bird should not speak; it should sing. The Minister of Railways said that the railway officials did not discuss the question of a station at Riviere du Loup when the matter of unemployment relief came before him. The question of the station at Riviere du Loup was before the minister. At the time it was decided, the hon. gentleman was not present, and the acting minister was the hon. member for Argenteuil. But according to the report of the Dominion director of unemployment relief at page 4:

> On September 30, 1930, by order in council P.C. 2292, the Minister of Labour was authorized to enter into an agreement with the Canadian Pacific Railway Company and the Canadian National Railways, whereby there would be expended by these railway companies the sum of approximately $25,000,000 in the performance of certain works, and the purchase of certain material over and above the normal expenditure of the said railways, such works to be commenced immediately and to be completed within the ensuing fifteen months.

The date of the order in council—please note it, Mr. Chairman, because it will interest you—is September 30, 1930. Then, an agreement dated October, 1930, was signed by the Minister of Labour and the Canadian National Railways. Clause 1 of that agreement reads as follows:

> Now therefore, it is agreed by and between the parties hereto as follows: First to assist in relieving unemployment the company will undertake and carry on to be completed on or about December 31, 1931, the works more particularly described in the schedule hereto attached, or such other work—

And I would ask hon. members to take note of the words "other work."

> —or works in lieu thereof as the parties hereto may agree upon at the estimated cost of $6,654,748 as set forth in detail in the said schedule.

There was also an agreement signed by the Minister of Labour and Mr. Humphrey, for the vice-president of the Canadian Pacific

Railway, on October 14, 1930. The order in council was passed on September 30, and the agreement between the Minister of Labour and the Canadian National Railways amounting to several million dollars was dated October 1. The agreement between the Minister of Labour and the Canadian Pacific Railway was dated October 14. I would ask the committee to note that the refusal of the minister to sanction the construction of a new station at Riviere du Loup took place on October 7.

I have before me an interesting letter sent on November 6 by my hon. friend the Minister of Railways to the city of Riviere du Loup. A resolution was passed by the city council on November 3 and is recorded in Hansard, to the effect that a suggestion should be made to the Minister of Railways that some moneys be taken from the unemployment fund to complete the difference between the amount voted by parliament and the lowest tender, an amount approximating six or seven thousand dollars. That resolution was passed by the city council of Riviere du Loup and was certified to by the secretary treasurer and the mayor. I should explain that the mayor is the perpetual Tory candidate in my constituency. Naturally the Minister of Railways was very much surprised to see the name of that gentleman on a resolution asking for money. Naturally the minister was surprised that a resolution should be signed by the mayor of Riviere du Loup asking for money for a new station from the unemployment fund. The minister should have known that that gentleman was in Ottawa on October 7 when the Minister of Railways refused to sanction the building of the station. I think my remarks will explain the illuminating letter from the Minister of Railways and Canals to the city council of Riviere du Loup, which says:

Votre cité ne fut pas proposée d'une manière spéciale lorsque la question fut présentée.

The English translation is, "Your city was not represented in a special way when the question came before us". I congratulate the hon. gentleman on this letter. He wrote when under the influence of indignation, and undoubtedly he was very much surprised to see that the man who blocked the building of the station was interested in one of the tenderers who could not secure the contract. As the gentleman I have in mind could not secure an advantage for his protégé he blocked the whole thing so that the community at large would suffer. He was not the right man to go before the minister and ask him to act in accordance with that resolution. As the mayor of Riviere du Loup he was bound to sign the resolution. He could not go before the people and show his game by saying, "I will not sign it, because on October 7 I blocked it". The minister said plainly not only to the secretary-treasurer of the city of Riviere du Loup but through him to the whole community, that if the city had been represented in a special way the matter could have been arranged. It was not necessary to propose it to the minister. The only course was to let the matter follow its natural course. That would have been done if no obstacle had been put in a previously smooth path.

Mr. GOTT: Did the hon. member say "icicle"?

Mr. POULIOT: I am not paying any attention to the hon. gentleman.

Mr. GOTT: The hon. member got the cold shoulder, so he must have said "icicle".

Mr. POULIOT: My hon. friend makes a noise but that is all. When I was young I used to hear the noise of fire crackers, and that noise meant as much as the noise now made by my hon. friend.

I shall now read the last paragraph of a letter appearing in Le Saint Laurent on December 31, 1931.

In closing your remarks, you say you are interested in the welfare of our city and you contend that I had sufficient influence to undo in two months what you allege it took you six years to accomplish. You thereby admit that you cannot get the present government to accede to your wishes. Do you wish to prove that you have really at heart the interest of our city? Resign as member. In a month I shall have replaced you, and I promise that the station will be built within two years, not a sketch of it, but the building itself. I promise to do more in two years than you have done in six. According to your contentions which are often wrong, I have enough influence to prevent the construction of the station. Then were I a member, would I not have enough influence to build the station?

Yours truly,

Chs. E. Dubé,
Mayor.

In that letter he boasts of being spoken of as having enough influence to block it; would he not have enough influence to build it? Is it not the kind of log rolling which was condemned by the Prime Minister in his Brandon speech during the campaign?

An hon. MEMBER: Carried.

Mr. POULIOT: No, just a minute. Our people suffered discrimination, and I am fighting against it as one should fight against discrimination shown in any constituency. At first I asked the board of health to make a

thorough investigation of the matter. That was done by independent people who had not the interests of any political party at heart. They said that the building was dangerous, absolutely unsanitary, and reported accordingly to the railway company. In a second report the board of health condemned the station completely and finally the Canadian National Railways agreed to build a new station. As I have already explained, the reason it was not built before was because the Atlantic region of the Canadian National railways had for many years suffered a deficit. The blame for the deficit was placed on freight rates. For this reason they postponed the matter until last year, when after the report of the board of health had been received they deliberately put the item in their own budget.

Now, I wish to pay my tribute to one who was a most distinguished Minister of Railways—the Hon. Mr. Dunning. At my request, as I have already explained, he had the Canadian National Railways Act amended in order to put the old Intercolonial railway on the same basis as any other part of the system and so bring it under the jurisdiction of the board of Railway Commissioners. And it was due to him that the matter was definitely settled by the railway board after the board of health had submitted its report.

This afternoon I read the reports which had been exchanged between the railway board and the board of health. The repairs approved by the railway board—it changed its mind, having first disapproved those repairs—are most unsatisfactory because they do not cover the foundations and the building of a cellar, The doctor who made a careful inspection of the whole building reported that there is a space of only two feet between the soil and the floor over three-fourths of the area of the building, the sewer system passes underneath the floor, and microbes and cockroaches abound. This creates a situation so dangerous to health that I think it would be a fine place for the headquarters of the Klu Klux Klan. Hon. members will realize that any repairs to the present structure could not possibly be satisfactory. The proposed repairs approved by the second order of the railway board are entirely inadequate and unsatisfactory. In a word, the only thing to do is to build an entirely new structure.

I congratulate my hon. friend the Minister of Railways on having had the courage to say that he does not approve of the way the Canadian National Railways switch—a good railway expression—money appropriated for a definite purpose to some other purpose. It cannot be done with the ordinary government estimates, and it should not be done by the Canadian National Railways, because the Audit Act, by virtue of which the estimates are voted for governmental purposes, applies also to the estimates voted for the Canadian National Railways.

I cannot resist the pleasure of saying a word on the question of economy. We all understand that as business is at a standstill at the moment the earnings of both railways have been seriously affected; in fact they are much less this year than they were last year or the year before. But what about the expenses? The item for the building of the station was $77,136 and it was included in vote No. 323 of last year, amounting to a grand total of $51,600,000. My hon. friend the minister said that last year betterments amounting to $8,000,000 were postponed. That may be the case, but the right hon. Prime Minister, speaking as Minister of Finance just before the conclusion of the financial year on March 31, declared to this house that not only the total amount of vote No. 323, $51,600,000, had been spent, but also $11,000,000 that we voted this year to try to fill the hole. This gives us a total in round figures of $62,600,000. Besides that we have the grant to the Canadian National Railways, as stated in the report of the dominion director of unemployment relief, amounting to $6,654,748. There is also another item of more than $5,000,000. I cannot understand this cry of economy, Mr. Chairman, because the greater portion of that money has been spent somewhere else—the Minister of Railways does not know where, I do not know where, the Prime Minister does not know where, and you yourself, Mr. Chairman, do not know where. My hon. friend the minister said that the money had been spent for another purpose. What was that purpose? He does not know.

Mr. MANION: I do know. I would ask my hon. friend to make his own speech and not put words in my mouth.

Mr. POULIOT: Will the hon. minister kindly tell me?

Mr. MANION: I told him a minute ago. It was spent to pay interest on the funded debt due the public, which interest the Canadian National Railways did not earn sufficient to pay. The Canadian National Railways expected to have a deficit of $8,000,000 or $9,000,000 in respect of interest to the public; instead of that they had a deficit of something like $29,000,000 on that account, and they had to use other moneys, including the money for my hon. friend's station, to pay this interest.

Mr. POULIOT: It confirms what I said, but it does not tell me where the money is

gone. It might have been spent in British Columbia, it might have been spent at Fort Churchill—

An hon. MEMBER: Perhaps at Long Lake.

Mr. POULIOT: Yes, perhaps it has gone to Long Lake.

Mr. GOTT: Will the hon. member permit one question? In view of the fact that he has consumed six hours in discussing this station, will he kindly tell the committee whether he is in favour of building a station there or not?

Mr. POULIOT: My hon. friend might better employ his time making a six hour speech to defend the rights of his constituents than constantly heckling members in this house. By so doing he would be serving a much better purpose and would be more favourably judged by his own constituents.

Mr. GOTT: Where did you get that information?

Mr. POULIOT: From the press.

Mr. MANION: Might I ask my hon. friend a question? What is his object in delaying the proceedings of the house as he has done? Does he think we do not understand that he wants a station at Riviere du Loup? What is the object of continually harping on the question until he is looked upon as a pest, not only by this side of the house but by the other side as well? The situation has become such that everyone begins to leave the chamber when he gets up to speak; everyone is tired of hearing about Riviere-du-Loup. That is the position with his own party as well as with hon. members on this side. The hon. gentleman has made the position clear; he wants a station at Riviere-du-Loup, but I can tell him that he is going the wrong way about it. I do not intend to be bulldozed by the hon. member; I do not intend that any of us shall be forced to do something by the hon. member. It may be said that we cannot interfere with the Canadian National Railways, but we have to supply the money, so we should have something to say about it. I say to my hon. friend that he is taking the very attitude which will prevent his constituents from getting the station for which he pretends he is working so hard; he is taking the very attitude which will result in his not getting the station at all. I might as well be frank; the hon. member may as well know that now, and his constituents might as well know it also.

Mr. HEENAN: I do not think it is fair for the minister to take that position. The hon. gentleman is sent here to represent a constituency, and he appears to think that the house is not yet seized of the importance of the necessity for this station. I do not think it is fair for the minister to say that if the hon. member represents the needs of his constituency, that fact will make the minister revengeful and he will see to it that the hon. member does not get the very thing he requires. I would have rather thought the minister might have taken this position, that in view of the representations which have been made, he would indicate to the railway company and to the government why the hon. member should get the station as soon as possible.

Mr. MANION: I might inform the hon. gentleman that long ago when the hon. member for Témiscouata spoke on this matter for about the eighth or ninth time, I told him I would give it consideration, and I told him that if there was less talk there probably would be more station. At that time the hon. gentleman was kind enough to thank me for what I said, but since then he has brought up the matter another eight or nine times and he has become a nuisance. Some of the members of this house want to get on with business. We do not want to be delayed here, and neither do the friends of my hon. friend. They do not wish to be tied up here all summer just because of the Riviere du Loup station. Riviere du Loup will get a fair deal just as the other parts of the country will get a fair deal. The hon. member has taken up hour after hour of the time of the house dealing with this station. We understand what he wants; we know that Riviere du Loup would like a station, but Riviere du Loup has wanted a station for many years. The hon. gentleman was elected in 1924; his own party was in power until 1930, but he did not find the matter so very important during that time. We have been accused of giving many promises, but all he got from his own party was a preelection promise, and he did not get the station built.

The hon. member has made it clear that he wants a station. The matter will be given consideration, but certainly we are not going to be bulldozed by the hon. gentleman, and I am tired of sitting quietly by and having him hold up the entire business of the house. That is all he has been doing on every possible occasion, not only in connection with my estimates, but on every other occasion when he could possibly interject the Riviere

du Loup matter. I might as well be quite frank about it. I want to be courteous to all hon. members of the house, as I think I have been, but I am getting tired of being courteous when the hon. gentleman himself does not show courtesy in return.

Mr. COWAN (Long Lake): The hon. member for Kenora-Rainy River said the hon. member for Témiscouata is here representing his constituency and that he has a right to take up the time of the house in presenting the needs of his constituents. I am here representing my constituency, and I am not representing it when I listen for hours to such twaddle as the hon. member has been presenting. I cannot possibly represent my constituency if I listen to that sort of thing, and I am not going to sit here if that kind of thing goes on. I have other things to do.

Mr. POULIOT: If the hon. member for Long Lake will come to my constituency and make that speech, I will be elected until I am a hundred years old. Now I wish to tell you something in French, Mr. Chairman. This is a verse by that great poet Racine, as follows:

Je crains Dieu, cher Abner, et n'ai point d'autre crainte.

I will translate that verse into English for the benefit of the Minister of Railways or for anyone who tries to bluff me in this house.

Some hon. MEMBERS: Order.

Mr. POULIOT: That is the expression the minister used when speaking to me the other day. The English translation is:

I fear God, dear Abner, and I fear no one else.

I give that as a warning to everyone who tries to prevent me from presenting in this house the desires and wishes of my constituents. I have never been afraid of anyone in my life.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: And I can tame anyone who shows lack of manners in a debate. I have always treated people fairly, even those who are ashamed of what they do in the darkness. I have treated everyone in this house fairly; no hon. member can say that I have not given him a fair deal when discussing any matter with him.

The CHAIRMAN: Order. The hon. member will please get back to the item under discussion.

Mr. POULIOT: Yes, I will come back to the item under discussion, and I want to give this explanation as a foreword to what I am going to say about the Riviere du Loup station. The point is this—

Some hon. MEMBERS: Carried.

Mr. POULIOT: No, it is not carried, and hon. members are wasting time in saying so, because I am going to have a fair deal.

The CHAIRMAN: Order.

Mr. POULIOT: I will give everyone a fair deal.

The CHAIRMAN: Order. The hon. member must discuss the item before the chair. We are not here to discuss private or personal grievances. We must discuss the item before the chair and nothing else.

Mr. POULIOT: Thank you, Mr. Chairman. Might I ask whether I will be allowed to discuss the two orders of the board of railway commissioners?

The CHAIRMAN: Certainly.

Mr. POULIOT: The first order was dated August 9 of last year, just two days after my right hon. friend the Prime Minister came into office. It was an independent ruling of the board, based on the desire of the Canadian National Railways to conform to the suggestions or orders coming from the board of health of the province of Quebec. This is easy to understand. That order mentioned the fact that the plans for the building of a new station at Riviere du Loup had been approved and had been recommended by that city. It was said at that time by the present Minister of Railways that it was a bluff, that it was just a promise before the election. An amount of $77,136 was voted by parliament, tenders were called for and the lowest tender amounted to something less than $84,000. Under those circumstances the railway could not build the station without asking for the approval of the minister. This is a former Canadian government railway, the Intercolonial line. The minister had to give his approval, which was required because of that difference of $6,000 or $7,000 between the amount voted by parliament and the lowest tender. The tenders were received on August 26, about two weeks after the date of the first order of the board. According to correspondence which appeared in a weekly publication in my home town, tenders were received at Moncton, but no action was taken with respect to them for some time. The matter was held up by the department.

Now, the Minister of Railways will admit that, so far as this whole question is concerned, I have always treated him with the utmost courtesy. I have never said anything offensive to him in the matter, and when we assembled here for the special session I put a question on the order paper, inquiring whether anything was going to be done and asking whether a tender had been accepted. At that time, in the middle of September, the minister intimated that no action had been taken, the matter was "under consideration". Afterwards he went away, and in his absence the perpetual Tory candidate came to Ottawa and interviewed some of the ministers. A report of that gentleman's interviews with these ministers was published. He said that he had met my good friend the Minister of Marine, whom, incidentally, I congratulate upon his election to the distinguished office of batonnier of the Bar Association of Quebec. I tendered the hon. gentleman my good wishes and I am glad that he has been selected to fill the office. And now, to proceed, the gentleman whom I am discussing at the moment also interviewed my good friend the Postmaster General and my other good friend the Minister of Public Works. But the point is, he did not see the Acting Minister of Railways, nor did he get in touch with the Minister of Labour. He did not see the two gentlemen whom above all others he should have interviewed in order to get some money under the Unemployment Relief Act. That explains why the Minister of Railways, when coming back to Ottawa, was in a position to write to the city of Riviere du Loup, stating that the matter had not been submitted to the government in due course. It explains the whole situation, Mr. Chairman. I submit that, after one of his colleagues had made a decision, the hon. gentleman should either have requested the Prime Minister to censure that colleague or himself have resigned from the cabinet if he did not accept the decision.

The thing was very cleverly done. Those people from Riviere du Loup came here to see the minister. I asked the Minister of Marine the other day, and also the Minister of Public Works, whether anything had been said to them, or to the hon. gentleman who at the time was Acting Minister of Railways, with reference to the amount of each tender. No one answered me; but, as I say, the thing was cleverly done. These people did not see the Minister of Railways nor the Minister of Labour, because they wanted to return to Riviere du Loup and say, "The matter has been decided by the government and we had nothing to do with it."

Mr. MANION: May I say that the mayor of Riviere du Loup saw me on more than one occasion with reference to the matter, and he has done more than my hon. friend is doing at the present time towards getting the station.

Mr. POULIOT: My hon. friend may be right, but let me say this. If it is a fact that the perpetual Tory candidate in my county has met the Minister of Railways in this matter and requested the building of a new station, and if my hon. friend has not seen fit to grant that request, it is obvious that that gentleman has very little influence with this government. But, Mr. Chairman, my hon. friend the Minister of Railways cannot speak in that way. He was not in Ottawa when that man came here. He was out of town, and what he says now is therefore only hearsay. I inquired of the Minister of Marine, the Minister of Public Works and the Postmaster General: Is it not a fact that through someone in your department that man ascertained the amount of each tender and that, when he realized that his protégé could not get the contract, he said, "you should not build the station on any consideration because my friend could not get it." There was no answer.

Now that is the whole story. After the Minister of Railways had taken that position and decided that the repairs should be done instead of having a new station built, what happened? He persisted in his request that the Canadian National Railways should change their policy, with the result that we have these stupid reports which are placed on Hansard and which make no provision for a cellar, for improving the sewerage system, nor for solidifying the foundations of the building. These reports cannot be acted upon. No repairs can be done to the building for the simple reason that a new building is absolutely necessary. But after the railway board had decided that plans for the building of that station should be approved, they changed their decision; they rescinded their first order in view, it seems to me, of the decision of the Minister of Railways. It would seem, therefore, that there has been log-rolling not only with the Canadian National Railways but also with the Board of Railway Commissioners, which is a tribunal that should be independent of both parties.

Mr. MANION: The hon. member has no right to make that statement. The Board of Railway Commissioners is a judicial body and he has no more right to criticize it on the floor of this house than he has to criticize other judges in this country.

The CHAIRMAN: I think the last remark of the hon. member with respect to the Board of Railway Commissioners should be withdrawn.

Mr. POULIOT: I do not say it with regard to the Board of Railway Commissioners as a rule; I say it with regard to the board in this special connection. But I remember very well the time when my hon. friends were on this side, and I have some recollection of what they used to say with respect to the railway board. I do not think they should be so touchy when we say what is true. There is something that should be noted in this connection, Mr. Chairman. When the chamber of commerce of Riviere du Loup, when the city council of Riviere du Loup, when the board of health made representations to the Canadian National Railways to put up a new building, they represented that it was necessary because the present building was in very bad condition. Those are the reasons why the first order was passed. And curiously enough the second order makes reference to exactly the same representations made by those public bodies. Now, with the same reasons before them, the board rescind their previous order and decide that the first plans should not be approved. This shows interference and log-rolling.

I regret very much, Mr. Chairman, to have been obliged so many times to bring this matter to the attention of the house. I have repeatedly intimated that the moment I received a favourable reply from the Minister of Railways I would cease discussing this matter. But I have been misrepresented in the house; my views have been given a false interpretation. I have pointed out that it was not a question of economy that accounted for the treatment which Riviere du Loup has been given in this matter, for the reason that most of the money has been spent elsewhere. This was a matter which depended on the action taken by the Minister of Railways, and yet during the course of the debate the minister has said that the Minister of Railways has nothing to do with it.

The CHAIRMAN: The hon. member's time has expired.

Mr. POULIOT: When a speaker is interrupted in committee the forty-minute time limit continues from that interruption.

The CHAIRMAN: The hon. member must resume his seat and then rise again to continue.

Mr. POULIOT: I sat down while the minister was speaking. I do not wish to be unfair to anyone, but I stand by the rules of the house. If the hon. minister had not interrupted me while I was speaking, my time would be elapsed, but as he did interrupt me I can go on to the conclusion of my speech.

An hon. MEMBER: Go on.

Mr. POULIOT: They say to go on.

An hon. MEMBER: You might as well go on.

Mr. HEENAN: Mr. Chairman—

An hon. MEMBER: Now, you tell the story.

The CHAIRMAN: Order.

Mr. HEENAN: I am sure the question I am going to put to the minister will please my hon. friend. I understand there are at present two vacancies on the Board of Railway Commissioners.

Mr. MANION: Three.

Mr. HEENAN: As labour has been represented on the board, is it the intention of the minister to fill one of the present vacancies by appointing a representative of labour?

Mr. MANION: The chief commissioner retired, Mr. Vien retired and Mr. Lawrence died, making three vacancies at the present time As to filling one of those vacancies with a representative of labour, I do not think any undertaking was given at the time of Mr. Lawrence's appointment that another appointee would necessarily be a man from the ranks of labour. I do not know that there is any binding obligation in that respect. However the question is under consideration. No one has been chosen for the position, and when that matter is decided this phase will be considered.

Mr. HEENAN: If it were known that a representative of labour was to be given one of these positions it might be well to give the labour bodies an opportunity to make a recommendation. I do not mean that the government would be obliged to accept their recommendation, but they should be given the opportunity.

Mr. MANION: Does my hon. friend happen to know whether that was done the last time?

Mr. HEENAN: I cannot say.

Mr. POULIOT: Mr. Chairman, I will now conclude my remarks by reading a report of a speech made by the Prime Minister.

The CHAIRMAN: The hon. member must confine his remarks to the item before the committee.

Mr. POULIOT: The Board of Railway Commissioners is a judicial body to advise the railways as to what should be done in order to best serve the travelling public. Does the chairman rule that the remarks of the right hon. gentleman, which are rather brief, would not come under the item now under discussion? They are as follows:

Again declaring his opposition to amalgamation of Canadian Pacific and Canadian National railways, Mr. Bennett said he had just heard a new canard to the effect that if elected he would appoint one of the Canadian Pacific railway officers to the presidency of the Canadian National. "Can you imagine anything so ridiculous?" he asked. "I want to say that the Conservatives in power—

The CHAIRMAN: I must ask the hon. member to confine his remarks to the item before the committee, otherwise I shall have to invoke paragraph 2 of standing order No. 40.

Mr. POULIOT: I will sum up my remarks in order that everyone may understand this matter but I cannot speak to those who are blind because they will not see, or to those who are deaf, because they will not hear.

The city of Riviere du Loup has been discriminated against; that is what I object to, and it should be clear to anyone over seven years of age. The minister has said: the matter must be decided by the Canadian National Railway officials, and he stated in this house—you will not get it. I know now where that refusal comes from; it was first decided by another member of the cabinet, and then the minister says: You will not get it. He is trying to frighten me, but he knows very well that he will not succeed. What will happen, Mr. Chairman, is this: the matter will be explained to the electorate of this county, along with other similar instances and that will be sufficient to bring my hon. friends to their senses. They will be taken out of power and when the Liberals are returned at the next general elections—

An hon. MEMBER: Another pipe dream.

Mr. POULIOT: —the Canadian National Railways will then revert to their old policy, that of taking care of the small centres and providing more work for the unemployed, thereby decreasing the number in the larger centres. The hon. minister stated the truth when he said that he was opposed to the building of a station at Riviere du Loup.

Mr. MANION: Mr. Chairman, I desire to correct the hon. gentleman. I did not say that that city would not get a station; I pointed out that the hon. gentleman would not get a station by this method.

Mr. POULIOT: There was no threat in what I said, I was simply pointing out what I wanted done for the people in my constituency. If it is not done, all right; the people will then be able to judge the whole thing.

Mr. RALSTON: Earlier in the evening while a bill regarding some railway project in Montreal was being discussed, the hon. minister stated that he would write a letter to the Board of Railway Commissioners to ask them to give an opportunity for certain interested parties to appear before them. The hon. minister, perhaps inadvertently, let fall an expression which I do not think he would like to remain on Hansard in its pristine sense. He stated that if he wrote that letter he was sure the Board of Railway Commissioners would not dare to do anything else than to accede to the request contained therein, and give an opportunity to these parties to attend the sitting of the board. I am afraid there is a tendency to think that the board is some sort of adjunct to the government or some department of the government. Let me remind my hon. friend—he knows it as well as I do, and I am sure he will take these remarks in the spirit in which they are given—that the Board of Railway Commissioners is a court of record and, as I remember the Railway Act, it acts only on the direction of the government when an order in council has been passed and a special question has been referred to it. Otherwise, the board acts on its own initiative or upon the application of the parties interested in the matters before it. I do not think it is well to have it get abroad in this country that a government or a member of a government can write a letter and thereby have the Board of Railway Commissioners take a certain course in connection with their judicial functions. I say that only because it seemed to me that the assurance which the hon. gentleman gave to the hon. gentlemen interested in this bill appeared to be more of an assurance than it really was, because my hon. friend has no more power—I say this with all due respect—to write to the Board of Railway Commissioners and influence their decision with regard to who shall appear before them, than any other hon. member. The very foundation of the jurisdiction of the Board of Railway Commissioners lies in the fact that they are a court of record and a judicial body, and they take cognizance of matters before them just as the supreme court does.

Mr. MANION: I do not remember using the word "dare," but I would not deny using it. I pointed out that the Board of Railway Commissioners was a judicial body, and I realize it is such, as my hon. friend has said. What I meant to say and what I have no doubt I did say was that whatever government asked the Board of Railway Commissioners that before they gave a decision in regard to a bill they should hear the interested parties, the Board of Railway Commissioners would not ignore that request. I repeat the statement. I do not see that it is in any way a hint or suggestion or implication that in any way the government or anybody has any control over the Board of Railway Commissioners; but just as a government can submit something to the exchequer court, for that matter, in the same way a government can and so can an ordinary citizen—and I do not say my hon. friend is not right in suggesting that the Minister of Railways has no more power with the Board of Railway Commissioners than he has—suggest to the board that in justice to all the parties concerned they should hear the evidence of various people before they render a decision. I see no harm in and I stand by the remark I made a little while ago in regard to that bill. I do not suggest the board is in any way, shape or form under the jurisdiction of the government or anybody. It is a judicial body. But certainly not only has a member of the government, but so has a private citizen the right to approach the board and ask that certain evidence be heard.

Mr. RALSTON: On account of the rapidity with which my hon. friend speaks, he may not have been aware of the fact, but I have no doubt he will find he used the word "dare"—that the Board of Railway Commissioners would not dare.

Mr. MANION: I meant it in justice to all concerned.

Mr. RALSTON: I want to emphasize that for a moment. A court of record does not listen to representations, particularly by letters, from parties outside. I think we ought to get the idea straight, that the Board of Railway Commissioners is a judicial body, and while we may write letters to them and they out of courtesy may receive them, we have no right to think they act on that sort of thing. I still hold to what I said previously in regard to my hon. friend's remarks, that we cannot give much assurance to anybody by saying that a letter will be written to the board and expect the board to act upon it. They act under the statute. The statute does not provide for their acting on the request of anybody, no matter who he is.

Mr. MANION: But the humblest citizen in the country has the right to write to the board and ask that he be heard on any case, for example, in regard to a railway crossing.

Mr. RALSTON: Surely, when he is the party interested.

Mr. MANION: The government is certainly in no worse position than that of the humblest citizen.

Mr. REID: If a ruling is given by the Board of Railway Commissioners; if on a further appeal the same ruling is upheld, directing a railway company to comply with a certain order, and if that railway company does not comply with it, what procedure would one have to take to compel the railway company to comply with the order of the board? This is a serious matter.

Mr. MANION: The Board of Railway Commissioners is in exactly the same position in regard to that as any other court that renders a judgment. The board can, I presume, order the railway to discontinue its services until it carries out the judgment of the board. So far as I can see, it has all power with the law and the law officers behind it.

Mr. REID: I do not think the minister understands me. If an order is issued, and the railway company does not comply with it, to whom can we appeal to make the railway company comply with the order?

Mr. MANION: To the Board of Railway Commissioners.

Mr. REID: Again?

Mr. MANION: Yes, and point out to them that the railway company has not obeyed the order as rendered by the board.

Mr. ILSLEY: A little while ago the minister made a statement that I should like to have explained. He said that the management of the Canadian National Railways has the power to switch money from certain specific purposes for which it is appropriated, to other purposes. I understood him to say that was a practice that should not be permitted in the future. I understood the case to which he had been referring was the application to payment of interest due the public of money appropriated for certain construction. Did they switch appropriations from one purpose to another on any considerable scale? Has that been the practice in the past?

Mr. MANION: The management of the railways, in making their request for money to whatever government is in power, put in a round figure, but they give to the government, or to the Minister of Railways on behalf of the government, the details of how they intend to spend that money. Those details are not brought down in the house, but they are before the Minister of Railways, and through him before the government.

Mr. ILSLEY: Before the railway committee, too, are they not?

Mr. MANION: Yes. The estimates that will be tabled shortly will be before the select standing committee on railways and shipping, owned and operated by the government, and we can go into them. While they are before the house or a committee of the house, the detailed items are not gone through seriatim as they are for the Department of Public Works or my own department. At the same time, there is quite a bulky list of works to be performed out of the moneys to be obtained from the government. It has been the practice in the past that, instead of adhering even closely to those items, the railways have been permitted to switch or divert certain amounts from one item to another. They have been quite within their rights in doing so, although I believe that last year the Deputy Minister of Railways proposed that any suggested switch of more than $200,000 had to go to the government to be dealt with by order in council, and that any under $200,000 had to be sanctioned by the deputy minister, who of course would consult with the minister of railways of the day. Last year, even with that rule in force, large amounts of money were diverted from one object to another. In this case there was an amount of $28,000,000 for additions and betterments in last year's estimates as brought down to the house by my predecessor. Of that $28,000,000, only $20,000,000 was spent for those purposes; the balance of $8,000,000 was spent, but not for additions and betterments; it went into the pot, so to speak, and was used to meet the deficit on the railway, to help to pay interest to the public which in their estimate they had figured at $8,000,000, and which in reality amounted to $29,000,000. Therefore, that amount of $8,000,000 which parliament had passed for additions and betterments was not used for that purpose, but was switched—I am continuing the use of that expression—and used for the purpose of paying interest due to the public. In addition to that the government had to bring down a supplementary estimate to provide the balance.

[Mr. Ilsley.]

Mr. SANDERSON: I should like to ask the minister a question in regard to the three vacancies on the Board of Railway Commissioners. Has he any assurance to give the committee that in the appointment of the three, at least one and perhaps two will be appointed to represent the agricultural interests of the country on the board?

Mr. MANION: My deputy informs me that Mr. Stoneman is a farmer. I think my hon. friend is somewhat confused, as are a great many people throughout the country. On one occasion my hon. friend drew my attention to a petition or a representation made to him. That petition was made not in regard to the Board of Railway Commissioners but in regard to the board of directors of the Canadian National Railways.

Mr. SANDERSON: I did draw the attention of the minister on one or two occasions to some facts concerning the board of directors of the Canadian National Railways. At the present time however I am directing his attention to the vacancies on the Board of Railway Commissioners. In connection with those vacancies will he consider the matter I have mentioned?

Mr. MANION: As Mr. Stoneman is already on the board, consideration will not be necessary.

Mr. STEWART (Edmonton): He is a farmer.

Mr. MANION: The hon. member for Edmonton tells me that Mr. Stoneman is a farmer, and my deputy verifies the statement. I must say that I did not know it myself. Owing to the fact that there is a farmer on the board it will not be necessary to have two. The board has only six members, and to my mind it would not be necessary to have two agricultural representatives.

Mr. SPENCER: The agriculturists represent fifty-four per cent of the population of Canada. Have we not a right to expect more representatives on the board?

Mr. MANION: I do not think so. This is a judicial body; its business is largely judicial in character, and it is not supposed to represent particular classes. It so happens that Mr. Stoneman is a representative of agricultural interests, so that one out of six on the board is an agricultural representative. I think the industry of agriculture, therefore, is sufficiently represented on the board.

Mr. POULIOT: What is the occupation of Mr. George Spencer of the railway board? What is his age and when will he be superannuated?

Mr. MANION: I cannot give the information to my hon. friend, but my deputy informs me that Mr. Spencer is the chief operating officer. My hon. friend knows that there is no direct supervision of the Board of Railway Commissioners by the minister. He is simply the liaison between parliament and the Board of Railway Commissioners in regard to estimates, and that sort of thing. I am not very familiar with the personnel of the board.

Mr. POULIOT: For a long time the state of the railway fences in eastern Quebec was very bad. The Canadian National Railways said that on account of their deficit they could not improve the fences. A similar condition prevailed in regard to ditches. For that reason a considerable number of animals were killed by the trains and a great many lands were flooded in the spring. That is why the law has been changed in order to place that part of the Canadian National Railways under the jurisdiction of the railway board. For a time some improvements and repairs were made to the ditches and fences, but there is much yet to be done. May I ask the hon. gentleman if it will be possible to have these repairs completed within a short time?

Mr. MANION: I think I can tell my hon. friend that the railway act requires the railway companies to protect their lines with fences where necessary. So far as ditches are concerned naturally the railways would build them where necessary to drain their properties. If my hon. friend knows of any cases where there are obstructions in ditches or anything of that nature, I should be pleased if he would bring them to my attention. If any nuisance is created by the lack of ditches or by obstructions therein, any information given to me in that regard would be passed along to the railway authorities for their consideration.

Mr. POULIOT: I thank the minister very much for his answer. Sometimes on account of money shortages the Canadian National Railways postpone the type of work to which I have referred, and in many instances the postponement is not made because of the lack of funds. The Canadian National Railways, even though their business is not always good, should conform to the law. It is the duty of every neighbour to see to it that fences and ditches between his and the adjoining property are kept in good order.

Mr. SANDERSON: Referring again to the vacancies on the Board of Railway Commissioners, may I ask the minister when making appointments not to lose sight of agriculture, the basic industry of this country? If there is any interest which should be well represented on the Board of Railway Commissioners it is that of the agriculturists. Would the minister consider the appointment to the board of a certain number to represent that industry?

Mr. MANION: I shall gladly consider the suggestion, yes.

Mr. HEENAN: I hope my remarks at the present time with respect to the appointment of a representative of labour on the Board of Railway Commissioners will not be considered merely as an attempt to secure another position for labour. I am sure the minister understands, owing to his familiarity with the railroad men in his constituency, that there is no question more complex or the ramifications of which are greater than that respecting the operation of railroads. The fact that a great many railroad men who have been brought up from boyhood fail in their examinations concerning the operation of railroads shows the complicated nature of railroading, and I think the minister would be well advised to have in mind the fact that in the interests of the railway commission itself there ought to be sitting as a member of the board one who would be fully conversant with the rules of railroad operation. That is one of the reasons I have suggested to the minister that it might be well at least to acquaint the railroad men of the vacancies on the commission so that they could make recommendations from which the minister might see his way clear to make a selection. I am sure the men who would be recommended would be fully conversant with railway operations and experts in their line. Mr. Lawrence, the former commissioner, was a man well versed in railroad matters, a man of whom railroad men were proud. It was a source of pleasure to his associates when he was taken into the commission by Mr. Meighen. I am sure a similar appointment would be in the interests of the railroads and the public generally.

Mr. MANION: I will give the matter consideration. I have had representations from labour organizations concerning various men. I do not know how many men have been recommended but I would judge I have at least a dozen names before me at the present time, almost all of whom have been recommended by labour organizations in different parts of the country.

Mr. MACKENZIE KING: I wish to say a few words in regard to appropriations for national railway purposes. I do not wish to delay the minister's estimates; for I should like if possible to see him complete them to-night. The minister, however, did speak rather freely in regard to the use the Canadian National Railways might make of moneys appropriated with respect to maintenance and operation. The matter is of too much importance to pass without comment, and that is my sole reason for speaking at the moment. To make clear what I have in mind, the minister will agree with me that as regards appropriations such as we are making at the moment no minister would be at liberty to take any sum appropriated for a specific purpose here mentioned and use it for some other purpose. My hon. friend agrees with me in that; it is a fundamental principle of the control of parliament over public expenditure. I submit that the Canadian National Railways is simply one branch of government; it is a nationally owned institution, and its estimates should be presented to the committee of parliament that has to consider them in precisely the same form and be governed by exactly the same principles as estimates of the departments of the government itself. It is entirely wrong for the railway management to take appropriations for particular purposes and divert any part of them to other purposes. I can understand it may be a matter of convenience to the railway management to be able to do that, but it would be entirely wrong if such a principle were adopted in regard to public funds appropriated in connection with any department of government, and I do not see why the Canadian National Railways should be made an exception in that regard. I go a step further: the fact that parliament has not quite the same control over the Canadian National Railways as it has over matters that come more immediately before it in itself constitutes a reason why in making appropriations for the Canadian National Railways for specific purposes we should be even more exacting in requiring that they be applied only to those specific purposes.

There ought to be a distinct understanding on the matter, and I suggest that the minister discuss it with the management of the Canadian National Railways and mention that the subject has been brought up and discussed in parliament. It is certainly a matter with respect to which, speaking for the opposition, I can say we feel very strongly. The House of Commons has no more important function than that of exercising the closest scrutiny over public expenditures, and this function can be exercised only where appropriations are made for specific purposes and applied exclusively to those purposes. I have in my hand Durell, the standard authority on parliamentary grants. One paragraph will sum up what I have in mind. I think it should be as applicable to the Canadian National Railway estimates as to our own. Durell says:

> When making the grant, parliament appropriates it to the particular vote, and it cannot legally be applied to any other vote though, in the case of the army and navy,—

This has reference to Great Britain.

> —transfers between votes are in certain circumstances permitted, parliamentary sanction being subsequently obtained. Generally speaking, however, the money voted by parliament is granted for a particular vote only, and it is therefore clear that the larger the number of the votes, the greater control parliament is able to secure.

The fact that in the main parliament is exercising its control over the Canadian National Railways through a committee of the house is, I submit, all the more reason why the railway management should submit its estimates in as much detail as possible, the appropriation should be made as specific as possible, and nothing in the way of switching or diversion to other purposes should be permitted.

Mr. MANION: Mr. Chairman, I am not often in accord with my right hon. friend, but on the present occasion with every word that has dropped from his lips I entirely agree. He has stated my viewpoint in much better language than I could express it. As to discussing the matter with the Canadian National Railway management, that was done some time ago, because I admit quite frankly I was somewhat shocked when I found large amounts switched—I will continue to use the word—from one purpose to another. I think the Canadian National Railways should be in exactly the same position as the government of Canada; and when the government of Canada has no power to spend one dollar upon items for which the money was not voted, I do not think the Canadian National Railways should have that power. I entirely agree with my right hon. friend that the practice should be stopped, and I have already put myself on record with Sir Henry Thornton in this regard. We have his assurance that the management will endeavour to keep as close as possible to the items for which they ask appropriations.

Mr. MACKENZIE KING: I thank my hon. friend. I hope he will be very firm with the

railway management, and I can assure him that he may count on the entire cooperation of the opposition in this particular.

Mr. STEWART (Edmonton): I rise to make a suggestion, Mr. Chairman. As a minister who has sat on appeals from decisions of the Board of Railway Commissioners it has been borne in on me that the governor in council is not the proper body to hear such appeals. This is no reflection on the legal attainments of the gentlemen who happen for the time being to be members of the government, because they do give serious consideration to the appeals that come before the governor in council, but I must say they have not the time to give proper consideration to such appeals. In looking up the records I find that usually council has ordered a reference back to the board. This causes delay that sometimes is very detrimental to the people who are interested in securing a readjustment of rates or some other matter. I suggest that the government consider the advisability of transferring these appeals to the Supreme Court of Canada, or else make the judgments of the Board of Railway Commissioners final. I think my hon. friend will agree with me that members of the government have not time to give the required attention to such appeals.

Mr. MANION: I agree entirely with what my hon. friend says in that regard. Certainly the governor in council is not a rate-making body and has not the technical knowledge to deal with appeals of this nature. But I have been informed that council has never changed an order of the Board of Railway Commissioners; as my hon. friend stated, it has always referred the case back to the board for rehearing. I suppose the appeal to the governor in council is a relic of the days when there was no board of railway commissioners. The board, I understand, was appointed in 1903, previous to which time such regulatory control of railway rates as existed was vested in the railway committee of privy council. I think my hon. friend's suggestion is worthy of consideration by the government.

Mr. SPEAKMAN: Before such a step is taken I submit the matter should be given very careful consideration. I quite agree that rate-making is such a technical matter that few laymen are competent to deal with it. But there are times when questions of rates in a large way may have a very direct bearing on public policy, on the development of certain parts of the country or of certain lines of business, and that aspect must not be lost sight of. In other words, there are times when more than the mere complexity of rates must be considered. I for one would be very sorry to see the appeal to the governor in council dispensed with until the matter has been very carefully considered.

Mr. ILSLEY: The matter just referred to undoubtedly is very important. The hon. member who just spoke has, if I may be permitted to say so, the proper conception of the functions of the governor in council in connection with these so-called appeals. I had occasion to look into the matter a little while ago, and I came to the conclusion that "appeal" is scarcely the proper term. The governor in council is not sitting as a court; it is not exercising judicial functions; it does not have to act on any evidence. When the governor in council hears and decides upon the so-called appeals it is exercising executive or administrative functions, and can take into account broad matters of policy as a government. We are accustomed to speak of these appeals as if they were appeals to an appellate court, such as the Supreme Court of Canada, but if that were the case of course the governor in council could not deal with them as they could be dealt with, for instance, by the Board of Railway Commissioners. There can be no question about that; members of council have neither the time, the training nor the experience to deal with matters in that way.

Mr. MACKENZIE KING: Nor the patience.

Mr. ILSLEY: My right hon. leader adds that they have not the patience, either, to deal with them. My hon. friend who spoke last has raised a very important point, as to whether at certain times the governor in council should not, as a matter of governmental policy, come to decisions not upon scientific rate-making principles but as executive acts. This is a matter worthy of very careful consideration before that power is taken away. I think the minister is quite correct in saying this is a relic or hang-over from the time when the railway committee of the cabinet dealt with rates. That, I believe, is historically correct, but at present these rates do not need to be determined upon judicial principles at all.

Mr. MANION: Of course no change can be made without amendment to the Railway Act, so there will be plenty of time for consideration. At the same time, I would remind my hon. friend that while the privy council has not taken on the judicial powers, they could do so at any time.

Mr. STEWART (Edmonton): But parliament always has the right to make rates, as was instanced by the Crowsnest pass rate. If it is a matter of policy for the government or for parliament to deal with a certain matter, they have all the power necessary. I merely suggested this short method of dealing with appeals, which are vexatious and which, as far as I can discover, never have led anywhere.

Item agreed to.

Miscellaneous services: including salaries and expenses of experts employed temporarily, $48,000.

Mr. HEENAN: This is the item in connection with which the minister said we could discuss the national highway, but I do not propose to reopen that question. I think we spent enough time on that matter this afternoon, and there will be other opportunities to take it up. However, I see there is provision here for experts, and while it has nothing to do with the railway I was wondering if the minister would tell us whether he has received any requests from the provincial authorities for the services of experts to survey portions of this highway. Is the Dominion government helping in any way to survey the route for the national highway?

Mr. MANION: To my recollection I have had no such request, although I believe there have been some conversations. I do not wish to go into details, because my memory is hazy about the matter, and in any event the conversations were not with me. I have had no direct requests.

Mr. HEENAN: So far as the minister knows, he has had no official communications?

Mr. MANION: No.

Mr. MACKENZIE KING: Can my hon. friend indicate in a word or two just what are the miscellaneous services?

Mr. MANION: There are a number of salaries paid out of this vote, to provide for temporary assistance in emergencies if required. The amount appropriated for that purpose is $5,400, and I have the full details here. There are some general expenses amounting to $13,000; travelling expenses, $1,000; telegraph and telephone, $1,500; printing and stationary, $500; contingencies, $4,780, and then in regard to the Chignecto canal commission there is an item of $10,000. That amount was provided last year for the purpose of appointing a commission to investigate that canal, so there is really a revote of that amount.

[Mr. Manion.]

Mr. MACKENZIE KING: It is really a small item, but my hon. friend spoke about printing and stationery. It seems to me the next item covers that. Would it not be preferable to have all the printing and stationery under one item?

Mr. MANION: My deputy informs me that this is simply the printing in connection with this vote.

Mr. SPEAKMAN: May I ask if the services of any of these experts have been utilized in connection with the location of the Peace river outlet, or in work of that nature?

Mr. MANION: No, not during the past year. I do not seem to have very full details of this vote, but I do not think any experts were employed last year under this item.

Mr. SPEAKMAN: If experts had been employed I should have liked a little information on the matter.

Mr. MANION: No, we have done nothing in that matter up to the present time.

Mr. McKENZIE (Assiniboia): I should like to take this opportunity to bring to the attention of the minister and the government the matter of a railway line in my constituency. I have had this matter before the railway company and the government for some years. There is a gap of some 36 or 38 miles extending from Handsworth and Lampman, on the Canadian National railway, in the southern part of Saskatchewan. I mentioned this to the minister some time ago, but I should like to impress it upon him once again. This is about as important in my constituency as the Mafeking cut-off is in certain parts of Manitoba. It is also a live question in the constituency of Qu'Appelle, and the hon. member representing that constituency has been working with me on the matter. If this gap were filled in this line would not only be a feeder for the Hudson Bay railway when completed, but as it extends north and south it would be the means of distributing the coal which we have in vast quantities in the southeastern part of Saskatchewan. We believe that from the standpoint of the railway company it would be a good investment because of the quantities of coal it would be possible to haul up to the central and northeastern part of the province. My idea in bringing the matter up at the present time is to impress upon the minister the importance of this line, so that he may appreciate its significance and pass the information along to the railway company. I have given the company a good deal of data

in connection with the matter, with regard to what might be expected in the way of traffic, and as I said before I believe it would be a good investment for the railway.

Mr. MANION: This matter has been drawn to my attention both by the hon. member who has just spoken and by the hon. member for Qu'Appelle. I believe at one time I made an appointment for them with Sir Henry Thornton, and I will keep the matter before him.

Mr. McINTOSH: Touching the completion of the railway in the riding of the hon. member for Assiniboia, it occurred to me that this might be a good time to ask the Minister of Railways a question with regard to one of the Canadian National branch lines north of the North Saskatchewan river, connecting North Battleford and Edmonton. The road runs through North Battleford on westward into the Paradise hill area about 100 miles, and the same line runs out of Edmonton eastward about 100 miles. There is a gap of 40 miles not completed. When it is completed it will provide another through line from North Battleford to Edmonton.

Mr. MANION: Is that the one that crosses the Saskatchewan river?

Mr. BUCKLEY: The minister has a good many petitions with respect to this matter.

Mr. McINTOSH: No doubt the minister has received many petitions, and I was going to bring the matter up in the house in any event. I thought, however, that this might be an opportune time for the minister to make a statement respecting the matter. It was the desire of the president of the Canadian National Railways to have legislation brought down this session to provide for the completion of that gap. As I say, it is merely 40 miles, and when it is completed it will be a through line. This matter is important to all that area of country. The people there are very much interested in it and a statement from the minister would be appreciated. I think we should be informed, if the construction cannot be proceeded with this year, just when the work will be done. It is imperative that we should have a statement from the minister.

Mr. MANION: I think the St. Walburg-Bonnyville line is north of the line my hon. friend speaks of. That is being proceeded with at the present time.

Mr. McINTOSH: There is work being done on that line.

Mr. MANION: It was one of the lines which, by reason of the conditions prevailing out there, we asked the railways to proceed with. This request was made with a view to relieving the situation in that district rather than because the railway considered it immediately necessary. However, it is being gone on with. With respect to the other line my hon. friend speaks of, I have had a good many representations in the matter and the best I can say is that the Canadian National Railways and ourselves will give it consideration. All these branch lines have to be recommended by the railways and after that the government has to find the money. If the railway were in a position to do the work itself, naturally the government need not come into the picture at all, except in so far as it would have to ask parliament to grant a charter. But it comes into the picture because of the need of finding money; and the finding of money, as my hon. friend realizes, is to-day not the easiest thing in the world. The matter will be given consideration at the proper time both by the railways and by the government.

Mr. BUCKLEY: The engineers of the Canadian National Railways have already recommended the completion of this gap, which has been promised for some years. I represent the constituency, and I may tell the minister that the people are being penalized by having to pay 4 or 5 cents more for a useless back haul. And they are being penalized to a considerable extent. In answer to a question which I placed on the order paper some time ago, the minister intimated that the engineers of the railway company had recommended the completion of the gap.

Mr. MANION: I do not remember having had the matter brought to my attention by the railway; I cannot recall their having recommended it. I have asked the deputy, but he does not seem to have any recollection of it either. At the present time all the branch lines which they feel they can afford are being constructed. This is one of those that have to be considered in the future. The government is certainly desirous of building any branch lines that are necessary to relieve unfavourable conditions in the west, but I must repeat that there are so many requests for branch lines, and it calls for such a vast amount of money, that any application must be given serious consideration before the railway can proceed. As I have said, I do not remember the railway having recommended the building of this line, although I have had many representations from the people there.

Mr. McINTOSH: So far as the completion of that gap is concerned, I realize that it is rather difficult to get the money when it is required; I am satisfied of that. But I am also satisfied that the line from Edmonton to the present end of steel going eastward, and the line from North Battleford to the present end of steel going westward, are both excellent-paying lines. Perhaps I had better qualify that statement and speak particularly with reference to the line running through my own constituency; the hon. member for Athabaska can speak for his own riding. Certainly the line that passes through my constituency is one of the best-paying Canadian branch lines in the west, and if the minister would look into the financial record of that line I am sure he would find that since the line was built out of North Battleford to Meota, and from Meota to Edam, and from Edam to Turtleford, and from Turtleford on through to Spruce lake and the Paradise hill country—one of the most beautiful areas in northern Saskatchewan—it has proved a highly satisfactory branch line from the financial point of view. The money secured from that line by the Canadian National Railways will bear comparison, per mile, with the returns secured from any branch line in Saskatchewan, Manitoba or Alberta. That being the case, I think we have a right to look to the Minister of Railways to take steps as early as possible to have that gap completed. I realize, of course, that the railway must first take action, and that the line must constitute a part of its building program. But I submit that a suggestion from the minister to have the gap completed with the least possible delay would be effective, and it would undoubtedly meet with the approval of the people in that area.

Mr. GERSHAW: Shall we have an opportunity to discuss Canadian National branch lines when the Canadian National estimates are before the committee?

Mr. MANION: Yes.

Mr. BOTHWELL: Can the minister make a statement with respect to the Neidpath-Swift Current line? The road is graded and steel has been laid up to the Canadian Pacific railway tracks. We understood that construction work in connection with the freight sheds would be proceeded with this year. The newspapers carried reports some days ago that this was on the Canadian National program for this year. Is this correct?

Mr. MANION: I cannot give the information offhand. As a matter of fact, branch lines should come in under the Canadian National Railways estimates, and inasmuch as I have not those items at hand I cannot reply to my hon. friend's question. Some of the western cabinet ministers wrote me with respect to the works being carried on by the two railways, and I obtained a list of the works from the Canadian National and the Canadian Pacific. That information I forwarded, and it must be on the strength of that that the report appeared. I trust my hon. friend's information from the press is correct, but I cannot confirm it.

Mr. BUCKLEY: At page 831 of Hansard there appears a question of mine with reference to this gap. I asked:

> Have the engineers of the Canadian National Railways recommended the construction of either or both of these proposed lines?

The other line, I may say, is the branch from St. Paul, Alberta, to Brosseau. The minister's answer was, "yes, both." I may say that we have had many interviews with Sir Henry Thornton in reference to the completion of this gap and with a view to getting the freight rates equalized. We have been promised by Sir Henry that the construction of this gap will be undertaken. I might remind the minister that this line was built in 1911, and ever since then we have been hoping to see the fulfilment of the promise to have it completed.

Mr. GARDINER: I wish to call the attention of the minister to the condition of affairs in western Canada. Hon. members will recall that the crop of the west was fair last year but losing prices were received. Consequently the people of western Canada lost rather than made money. We had an open winter, and whenever we have a very open winter in the west it is followed by a dry year. That is what is happening now. We have had very little rain in the west, with the result that many crops are suffering, even to the extent of being dried up altogether. No doubt if conditions in the west continue as they are the government will have to come to the relief of the farmers with large sums of money. It would be better for the government to spend the money in the construction of branch lines than to make direct relief grants. There is no doubt that next year there will be a tremendous amount of suffering in western Canada because in many parts of the country the crop has been lost this year, and in other parts they have lost their crops for the past two or three years; consequently all the reserves of the farmers have disappeared. In the event that relief has to be provided for western Canada,

I would ask the minister to take into consideration the construction of these railways rather than the giving of direct relief grants.

Mr. MANION: I can assure my hon. friend that if conditions prove to be as serious as he indicates, this matter will be given fair and just consideration.

Mr. MUNN: Mr. Chairman, I join with the last speaker in his suggestion that the government should build railways rather than pay out money for odd jobs. About a year ago the King government promised that they would start work on the Peace River outlet, and during the last campaign the present Prime Minister promised that within a year his government would start to do something on this line. By building this railway a direct return would be given for the money expended, and there is bound to be considerable unemployment during the next winter which could be taken care of in this manner. The Pacific coast is intensely interested in this Peace River outlet and we are all waiting for the promises to be fulfilled.

Mr. RALSTON: Mr. Chairman, as the hon. minister is listening to representations with regard to the Canadian National program, and apropos of what was said a little while ago with regard to the use and the application of moneys for one purpose and another, I would direct his attention to an item which appeared last year for a station at Yarmouth. Some expenditures were made, particularly for a roundhouse, but no further work has been done. I ask the minister to use his good offices in taking this matter up with the Canadian National management. I would point out to him what he perhaps does not know, that Yarmouth is a considerable feeder for the Canadian National railways as it is for the Dominion Atlantic railway. Something over 70,000 people came into and went out of that port last year. There are two boats running between Boston and Yarmouth and furnishing a daily service in the summer months, and there is a twice-a-week boat in the summer between Yarmouth and New York. About 40,000 automobiles came into and went out of that port last year. I am sure that the minister will agree that such a fine volume of business warrants facilities in keeping with a great international port, which Yarmouth is. Yarmouth is the terminus of what was the Halifax and Southwestern Railway and is now the Canadian National, and I am sure the railway authorities must be convinced that there should be much improved passenger accommodation in the way of a new station with a view to attracting more passenger traffic to that south shore railway.

Mr. MANION: I am not familiar with that particular question, but I will direct my hon. friend's remarks to the attention of the railway for their consideration.

Item agreed to.

Surveys and inspections, canals: including salaries and expenses of experts employed temporarily, $10,000.

Mr. MACKENZIE KING: I do not desire to delay the passage of this item, but there is only one item remaining in the minister's estimates.

Mr. MANION: No, there are five more items.

Mr. MACKENZIE KING: I wanted to reserve one for discussion.

Item agreed to.

Pensions—J. L. Weller, $3,500.

Mr. SPENCER: Would the minister explain this item?

Mr. MANION: This item covers a pension to an old employee who was retired, I think in 1927. The gentleman named was chief engineer for many years and also consulting engineer for the department, and he was given a pension to carry him along.

Item agreed to.

Canals—staff and repairs, $3,000,000.

Mr. MANION: There is still one item remaining after this one upon which any matter could be discussed.

Item agreed to.

Progress reported.

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

Monday, May 25, 1931

The house met at three o'clock.

INSURANCE DEPARTMENT

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I beg to lay on the table an abstract of the operations of the insurance department. Always the report is printed as quickly as possible, but as it involves a large amount of detail, it usually has not been completed until after the house has risen. For this reason the abstract is made available as soon as possible.

PRIVATE BILL

FIRST READING

Bill No. 52, to amend the Board of Management of the Canadian District of the Evangelical Lutheran Joint Synod of Ohio and other states, and to change its name to the Board of Management of the Canadian District of the American Lutheran Church.—Mr. Gershaw.

UNEMPLOYMENT AT NANAIMO

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I wish to call the attention of the acting Minister of Labour (Mr. Gordon) to the very serious, I might say desperate, conditions that exist in the city of Nanaimo. Owing to the closing down of the mines there are more than 800 men out of work. Nanaimo has spent all its available funds. At a conference between representatives of the province, the city council and the board of trade, the provincial representative, a minister of the crown, said that he fully realized the seriousness of the situation and was quite willing to help, but that it was impossible for him to do so unless he got some assurance from the federal government as to what they were going to do. I would urge that the matter be taken in hand at once, so that the situation, which is really desperate, may be given attention. One man said that it is "truly appalling."

Hon. W. A. GORDON (Minister of Immigration): Mr. Speaker, the situation referred to by the hon. member for Comox-Alberni (Mr. Neill) is, as no doubt the house understands, purely a provincial matter. If it is found that the municipal and provincial authorities cannot relieve the situation, there is no doubt that proper steps will be taken and taken without delay, by this government to assist.

IMMIGRATION ADVERTISING

On the orders of the day:

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I should like again to draw the attention of the Minister of Immigration (Mr. Gordon) to the advertisements that are appearing in old country papers in regard to immigration. I know the hon. member for Kenora-Rainy River (Mr. Heenan) brought this matter up the other day, when the Prime Minister replied that the advertisements were being continued under contracts made by the late government which had not yet lapsed. This is the particular advertisement to which I now wish to direct attention:

[Mr. Bennett.]

Youths Wanted for Canada
(14 to 19 years of age)
Free Ocean Passages
Free Training
Assured Employment
A Chance for £500
at 21.

For further particulars apply
Cunard Line, Canadian Settlement
Dept., Pier Head, Liverpool, or any
Cunard office or agency.
Cunard.

The house, it will be remembered, unanimously adopted the clause in the report of the agriculture committee of three years ago to encourage the bringing in of these youths, but conditions have so changed in the interim that surely we ought to do something to stop such false information being given to the British people.

Hon. W. A. GORDON (Minister of Immigration and Colonization): Mr. Speaker, if any such advertisement is appearing in the British papers with the authority of the government it is being done under some unexpired contract that was entered into by the late government. But I am inclined to the view that the advertisement which the hon. member has read, and any others of a similar character, are being circulated on behalf of the steamboat company concerned. The hon. member for Lisgar (Mr. Brown) need not fear that British people are being encouraged to come to Canada at the present time by the government making statements that are calculated to deceive and disappoint them when they get here. The government is not doing anything of the kind. Anyone in the British isles who cares to come to Canada under what I might term "his own steam," is very welcome, but the government is not publishing information calculated to deceive intending immigrants; indeed, no encouragement is being held out to such people. I will inquire into the advertisement referred to and ask the steamship company the reason for its publication.

CANADIAN NATIONAL RAILWAYS—ADVERTISING

On the orders of the day:

Hon. PETER HEENAN (Kenora-Rainy River): I should like to direct the attention of the Minister of Immigration (Mr. Gordon) to further advertisements, not in the English papers this time but in the Irish papers, along the line of the advertisements referred to by my hon. friend from Lisgar (Mr. Brown). This time the advertisements are carried by the Canadian National Railways, and I should like to ask the Minister of Immigration to

take into consideration the question of whether he should not advise the Canadian National Railways to stop this advertising.

GRAIN SHIPMENTS

CARRIAGE BETWEEN CANADIAN PORTS BY UNITED STATES VESSELS

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I should like to draw the attention of the Prime Minister (Mr. Bennett) to a certain condition and base a question upon it, but before doing so may I be permitted to read a copy of a petition that has been forwarded to him. It reads as follows:

Honourable Sir:

Although the attention of the respective governments has been drawn to the fact whereas American steamers are carrying our Canadian grain to Buffalo for transhipment to Montreal, and—

Mr. BENNETT: The reading of petitions is out of order.

Mr. MacINNIS: The reading of this petition would make my question more clear, but I will put my question as best I can. The fact is that according to the petitioners Canadian grain is being shipped from one Canadian port to another in American ships, and the petitioners are asking what steps the government intend to take, by order in council or otherwise, to remedy this situation. As a result, American ships are carrying our grain while Canadian ships and Canadian seamen are idle.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the hon. member's statements are not quite accurate. The question is not a few weeks old, it is years old. It has been before the house, to my certain knowledge, for many years during the time I have been a member. The provisions of the Canada Shipping Act permit of certain amendments to be made without reference to the shipping act passed in Great Britain. We are now in a position to ask this house to petition the parliament at Westminster to enact such legislation as will permit this parliament to deal with the question the hon. member refers to. During the last nine years I have not heard of its having been dealt with by the previous government, and long before the hon. member was in this house the question was raised and discussed. But inasmuch as an order in council of the Imperial government would be required to give validity to any legislation that we might pass, the position, I am unofficially advised, is that such order in council would not be passed in view of the fact that legislation is pending that would confer upon us the necessary powers to deal with it without reference to the Imperial government. That is the position at the moment. I will look further at the hon. member's question when it appears in Hansard, and if any additional statement is necessary I will make it.

Mr. MacINNIS: I am not taking exception to the right hon. member's saying that my statement was not quite accurate, but I do wish to point out that what I was stating was simply based on the petition—

Mr. SPEAKER: Order, the hon. member cannot debate the subject.

Mr. MacINNIS: I am not debating it.

Mr. SPEAKER: The hon. member has asked his question, and he cannot now enter into a debate on the subject.

Mr. MacINNIS: I am not debating it.

WORLD WHEAT CONFERENCE

STATEMENT BY PRIME MINISTER COMMUNICATING REPORT OF HIGH COMMISSIONER

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): I promised that when I received the information I would communicate to the house the report of the High Commissioner on the recent conference held in London with respect to wheat. His report, which was received yesterday and decoded this morning, reads as follows:

The final act of the wheat conference drafted and accepted by all delegates reads:

Final act of the conference of wheat exporting countries held in London at the offices of the High Commissioner for Canada from the 18th day to the 23rd day of May, one thousand nine hundred and thirty-one.

The official delegations of the following countries: America, the United States of; Argentine; Australia; Bulgaria; Canada; Hungary; India; Poland; Roumania; Union of Soviet Socialist Republics; Yugoslavia; have met on the invitation of the Canadian government and at the offices of the High Commissioner for Canada from the 18th May, to the 23rd May, for conference of wheat exporting countries.

The conference invited the Hon. G. Howard Ferguson, K.C., etc., High Commissioner for Canada, to act as its chairman. At fourth plenary session on May the 23rd, 1931, the report of the committee was presented to the conference and was finally adopted in the following form:

The conference of wheat exporting countries, consisting of delegations appointed by the governments of America, the United States of; Argentine; Australia; Bulgaria; Canada; Hungary; India; Poland; Roumania; Union of Soviet Socialist Republics; Jugoslavia; having studied existing world wheat situation is con-

vinced that among underlying causes for present depressed prices for wheat, the following points should be specially mentioned:

(i) The effect of economic depression throughout the world.

(ii) The fact that there is more wheat produced than can be sold at a profit.

(iii) The absence of sufficiently adequate information regarding movements of wheat, the requirements of certain countries, and quantities which are liable to be placed upon the market.

(iv) The present uncertain state of wheat markets.

The conference, recognizing the serious nature of world economic depression, believes nevertheless that a substantial contribution to an improvement of present situation may be made through a clearer understanding of underlying facts regarding so important a commodity as wheat.

The conference considers that, where possible, a reduction in areas devoted to wheat should be undertaken in whatever way each country considers to be most effective and practical.

It was also felt to be especially desirable that there should be careful exploration of all avenues for greater utilization of wheat, both for food and also for other purposes.

The conference further considered current information respecting supply, the demands and the movement of wheat should be brought together in such a way as to assist wheat exporting countries towards orderly marketing of their surpluses.

The conference of wheat exporting countries has, therefore, decided to establish a committee of the conference consisting of one representative from each state participating in the conference to:

(a) Submit to the governments of the countries participating in this conference a definite proposal for establishing, under supervision of committee of the conference, a clearing house of information to serve wheat exporting countries. For this purpose, the committee shall be empowered to secure from states represented on committee full information as to unloadings and stock of wheat at all importing points, the areas sown to wheat, and crop prospects, thereby assisting orderly distribution of wheat in world markets. This information should be as far as possible in the form prescribed and at times fixed by committee.

(b) To explore carefully all possible avenues for greater utilization of this important cereal.

The conference, convinced that existence of this standing committee will develop contacts already established here between wheat exporting countries, proposes that committee may prepare and recommend a draft agenda for a further meeting of conference at which countries here represented may enter upon consideration of subjects as may then be deemed appropriate.

Executed at London, the twenty-third day of May, one thousand nine hundred and thirty-one.

Hon. ERNEST LAPOINTE (Quebec East): May I ask the right hon. gentleman in what way this new method of gathering information will differ from the methods already existing, the International Institute of Agriculture at Rome; the League of Nations; the International Chamber of Commerce and various other agencies?

Mr. BENNETT: I anticipated that possibly the hon. gentleman might suggest some such question, and in communicating with the High Commissioner during the progress of the conference it was pointed out that our Department of Trade and Commerce had very complete figures with respect to Canada and that the League of Nations gathered certain statistics at Geneva and the International Institute of Agriculture at Rome. The High Commissioner uses these words in answer to my inquiry:

The setting up of a special bureau for wheat lending special importance to wheat problems. It does not interfere with good work of office at Geneva or International Institute of Agriculture at Rome, both of which will be of great value to wheat bureau. The former deals with all trade statistics and latter with whole range of agricultural products. The clearing house proposed by conference will cover not only statistics but all other information that may be deemed of value upon the subject of wheat. Discussions throughout conference were vigorous but at all times harmonious and gave undoubted evidence that all exporting countries are seized with gravity of the present situation and seriously desire, by cooperation, to bring about improvement.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF DELIVERY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Will the Prime Minister indicate whether, as Minister of Finance, he will be in a position to bring down the budget this week?

Right Hon. R. B. BENNETT (Prime Minister): With respect to the introduction of the budget, I hope to make a definite announcement, but it is my present intention to endeavour to bring it down this week.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER LEGISLATION THIS SESSION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Will the Prime Minister indicate whether, in addition to the legislation foreshadowed in the budget, there will be legislation introduced other than that which already appears on the order paper?

Right Hon. R. B. BENNETT (Prime Minister): In addition to the legislation which will be foreshadowed by the budget, there

will be a few measures that affect departmental matters and administration, with possibly one other matter.

DOMINION CONVERSION LOAN

ANNOUNCEMENT BY PRIME MINISTER THAT APPLICATIONS TO EXCHANGE SECURITIES TOTAL $600,000,000

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it seems very appropriate that on Empire day I should indicate to this house that the great effort made by the Canadian people with their resources to maintain the integrity of the empire some fifteen years ago, or more, by providing loans which were payable to the extent of $1,082,000,000 during the years 1931, 1932, 1933 and 1934, has been continued, and that these securities have been exchanged to the extent of over $600,000,000 for securities that call for the payment of only 4½ per cent interest. The exact amount, since to-day is a holiday and Saturday was a very large day in conversions, I cannot state at this moment, but upwards of $600,000,000 of the securities taken by the Canadian people at that time have been exchanged for securities bearing 1 per cent less interest, for all the securities I have mentioned, except those due this year, carried interest at the rate of 5½ per cent.

I think the house will agree that the Canadian people are to be congratulated upon their confidence in their country, which has been shown by this magnificent tribute to the stability of this Dominion.

ALLEGED PROPAGANDA

On the orders of the day:

Mr. ARMAND LAVERGNE (Montmagny): Before the orders of the day are called, I have been requested to direct the attention of the government and especially that of the Postmaster General to the bolshevistic propaganda carried in an American magazine called The Saturday Evening Post, under the signature of that international bandit Trotzky. I should like to ask the Postmaster General or the government if they intend to take any steps to prevent this propaganda from coming into Canada.

Right Hon. R. B. BENNETT (Prime Minister): The matter will be brought to the attention of the Postmaster General, who is not in his place to-day.

CANADIAN PACIFIC RAILWAY

Mr. E. F. WILLIS (Souris) moved the third reading of Bill No. 15, respecting the Canadian Pacific Railway.

Motion agreed to and bill read the third time and passed.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ST. LAWRENCE POWER WATER RIGHTS

*Mr. FACTOR:

1. Has the government received any applications from private corporations for further diversion of power water rights in the St. Lawrence river?
2. What progress has the government made in reference to the plan for the deepening of the St. Lawrence river waterway?

Mr. BENNETT: This question has been standing for some time and I think it will have to be answered verbally. To the first part of the question the answer is, yes. To the second part it is very difficult to make answer other than that at the proper time the house will be fully advised; because the progress which a government may make in reference to a matter of this kind is something with respect to which it cannot give an answer until the question is in some more concrete form than mere discussion.

HON. RODOLPHE LEMIEUX

*Mr. LAFLECHE:

1. During the term of office of Hon. Rodolphe Lemieux, as Speaker of the House of Commons, were certain pieces of furniture, the property of the state, transported to his summer residence, at Pointe au Pic, Quebec?
2. If so, what were said pieces of furniture?
3. Has said furniture been returned?
4. If so, at whose request?
5. Who paid for the transportation of the said furniture?

Mr. BENNETT: The Speaker's department has furnished the answer, which merely indicates what the right hon. the leader of the opposition (Mr. Mackenzie King) said the other day. Under the circumstances I think the question and answer had better be filed. The answer in each case is, no.

The question and answer follow:

Question:

1. During the term of office of Hon. Rodolphe Lemieux, as Speaker of the House of Commons, were certain pieces of furniture, the property of the state, transported to his summer residence, at Pointe au Pic, Quebec?
2. If so, what were said pieces of furniture?
3. Has said furniture been returned?
4. If so, at whose request?
5. Who paid for the transportation of the said furniture?

Answer:

1. No.
2. Answered by No. 1.
3. Answered by No. 1.
4. Answered by No. 1.
5. Answered by No. 1.

CANADIAN NATIONAL RAILWAYS—GASPE TERMINUS

*Mr. MARCIL:

Has the Canadian National Railways decided to retain the western terminus of the Gaspe railways at Matapedia, Quebec, and will the place be provided with the usual facilities?

Mr. MANION: Perhaps I can answer this question by stating that the matter is still under consideration by the Canadian National Railways. They have not yet come to a decision.

CANADIAN NATIONAL RAILWAYS—NEW YORK PREMISES

Mr. McGIBBON:

1. When was the lease for the new premises of the Canadian National Railways in New York signed?
2. What is the rent per year?
3. What is the name of the lessor?
4. Has the Canadian National Railways any other premises in New York, if so, what rent is paid?
5. Is the place rented at present, if not, why was it vacated?
6. What amount of business was done in the New York office during 1930?
7. Has the Canadian National Railways similar offices in Chicago, Detroit and other American cities?
8. If so, what rent is paid in each case?
9. What amount was spent on each or any of such premises?
10. What amount was spent on furnishings of said premises?
11. What was the amount of current liabilities of the Canadian National Railways unpaid on December 31, 1930, and were these included in the deficit shown in the annual report?
12. Does Sir Henry Thornton receive a salary from the Canadian National Express Company, The Canadian National Hotel Company, Canadian National Telegraph Company, subsidiary railways or any other companies?
13. If so, how much from each?
14. What was the salary of Sir Henry Thornton stated in the last agreement with the Canadian government?

Mr. MANION:

1. December 30, 1929.

2. Annual rental until 1934 gross..	$90,800
Less rents receivable..	32,000
Net..	$58,800

3. Building owned by trustees of Mrs. A. M. Pyle and was under lease expiring April 30, 1934, to 673 Fifth Avenue Corporation with an over-lease held by Cordelia Realty Corporation expiring April 30, 1955, with option of renewal. The Canadian National acquired a lease from 673 Fifth Avenue Corporation expiring April 30, 1934, and has an assignment of the over-lease held by Cordelia Realty Corporation.

4. (1) 505 Fifth avenue annual rental $55,000. (2) Traffic office in the Woolworth building, annual rental, $14,000.

5. In reply the management state:

(1) The office at 505 Fifth avenue at the moment is not rented. At the time arrangements were made to move the offices to the present location at the corner of 53rd street and Fifth avenue, an important real estate firm in New York felt convinced that there would be no difficulty in renting 505 Fifth avenue at a figure substantially greater than the rental we were paying. However, the business depression in the United States went from bad to worse, which could not at that time have been foreseen, and the office is consequently unrented. The location, however, for certain purposes is a desirable one and there is no doubt but what in a relatively short time, a satisfactory tenant will be obtained.

As to why the offices at 505 Fifth avenue were vacated, the following explanation is made: An examination of the movement of important hotels, shops, and similar enterprises, led to the inevitable conclusion that the drift of business was distinctly uptown, and that unless the Canadian National Railways took advantage of the opportunity to secure quarters in the more uptown area, we would either have to content ourselves with remaining in the location at 505 Fifth avenue or pay a much higher price elsewhere. In coming to this conclusion, the advice of Douglas Elliman & Company, an important real estate firm in New York, and a number of outside business people was sought. As a matter of fact when it came to canvassing the situation, it was found that the corner of 53rd street and Fifth avenue was the only remaining corner in the uptown district which could be found. This is an illustration of how rapidly desirable quarters were picked up, and is also indicative of the flow of business. There was another and really more important reason for moving, and that is that the office at 505 Fifth avenue had become too small for the transaction of the company's business, particularly in view of the fact that this office is not only intended as a ticket and tourist office for the Canadian National Railways, but is used generally for the purpose of attracting industries to Canada and advertising the Dominion as a whole.

For all of these reasons, after full discussion and consideration it was considered desirable to make the change.

(2) The office in the Woolworth building is occupied by the traffic department.

6. The total business transacted during the year was $520,364, exclusive of business secured for the hotel department.

7, 8, 9 and 10. Outside agencies in United States cities, as follows:

	Rent per annum			
	Passenger	Freight	Joint passenger and freight	Amount spent including furnishings
Birmingham	....	$ 540	....	....
Boston	$35,000	....	....	$52,996 47
Boston	....	9,200	....	....
Buffalo	15,000	....	....	16,497 55
Buffalo	....	5,400	....	....
Chicago	50,000	....	....	37,297 15
Cincinnati	....	....	$4,200	....
Cleveland	1,080	1,656	....	....
Detroit	22,500	....	....	28,231 36
Flint	3,600	....	....	....
Grand Rapids	....	1,500	....	....
Kansas City	....	....	2,460	....
Los Angeles	8,400	4,500	....	....
Memphis	....	750	....	....
Milwaukee	....	2,752	....	....
Minneapolis	3,600	1,500	....	....
New Haven	....	1,350	....	....
Omaha	....	1,020	....	....
Philadelphia	25,000	....	....	13,095 57
Philadelphia	....	1,800	....	....
Pittsburgh	....	....	3,300	....
Portland, Oregon	....	....	3,000	....
St. Paul	3,720	....	....	....
St. Louis	....	....	2,400	....
San Francisco	....	....	7,200	....
Seattle	....	....	7,800	....
Toledo	....	1,320	....	....
Tulsa	....	780	....	....
Washington, D.C.	4,360	....	....	....

Note—Amount spent including furnishings for the smaller offices not readily available.

11. The amount of current liabilities unpaid at December 31, 1930, was $42,469,278.98. To the extent that such liabilities relate to the income and profit and loss accounts they have been included in the deficit shown in the annual report.

12. The Department of Railways and Canals has no information.

13. See answer to 12.

14. $75,000 per year, payable monthly, with reasonable out-of-pocket expenses incurred in connection with the duties of his office.

MONTREAL HARBOUR COMMISSION

Mr. BOUCHARD:

1. Is the government aware of the fact that the chairman of the harbour commission of Montreal has declared that through lack of funds twelve hundred labourers will not be reengaged this summer?

2. Has the government been requested to give authority to said harbour commission to proceed with urgent work?

3. Have any contracts been awarded lately for wharves and piers in said harbour, and if so, what are the names of the contractors and amount of contracts?

Mr. DURANLEAU:

1. No.

2. No.

3. I am informed by the harbour commissioners of Montreal that the answer is in the negative.

OCEAN RATE ON CATTLE

Mr. DONNELLY:

1. What was the ocean rate on cattle between Canada and Great Britain for each of the years, 1926, 1927, 1928, 1929, 1930 and 1931?

2. Upon what date (year, month and day of the month) were each of these changes of rates, upward or downward, made?

Mr. WEIR (Melfort):

1. January 1st, 1926, to February 28, 1927, $20 per head on fat cattle and $18 per head for light cattle under 1,000 pounds.

March 1st, 1927, to date, $15 per head with discount of 10 per cent on cattle under 1,000 pounds.

2. Answered by above.

ICE BREAKER N. B. MCLEAN

Mr. LACROIX:

1. For how many days did the government icebreaker N. B. McLean work in the gulf of St. Lawrence and Chaleur bay during the months of March, April and May, 1931?

2. To what point in Chaleur bay did she succeed in cutting a channel through the ice?

3. What was the daily cost of the operation of this vessel, including wages of crew and fuel?

4. Was the vessel obliged to abandon this work on account of an accident?

5. If so, for how long will the vessel be laid up, what is the estimated cost of the repairs required in order to put her back in working condition?

Mr. DURANLEAU:

1. The icebreaking steamer N. B. McLean left Quebec 8th March, 1931. She returned to Quebec 10th May, 1931.

2. No icebreaking operations were carried out in Chaleur bay.

3. $460.

4 and 5. The N. B. McLean did not meet with any accident and sustained no damage.

TRENT CANAL—EMPLOYEES

Mr. BOUCHARD:

1. Who is the medical officer or physician employed by the Department of Railways and Canals for the examination of the employees of the Trent canal at Peterborough?

2. Who was the physician who examined Thomas Black, bridge keeper of the Trent canal at Bridgenorth in 1931?

3. How long was he employed and what is his remuneration?

Mr. MANION:

1. No medical officer or physician is employed by the Department of Railways and Canals for the examination of the employees of Dominion canals. When necessity for medical examination of employees arises, the matter is placed in the hands of the Department of Pensions and National Health, which department instructs its local medical officers to act.

2. Dr. A. W. MacPherson, Peterborough.

3. Only for the time required to make the actual examination and report. For this service Dr. MacPherson charged $3. Such charges are paid by the Department of Railways and Canals.

BONAVENTURE POINT, QUE., LIGHTKEEPER

Mr. MARCIL:

1. Has the light keeper of Bonaventure point, Quebec, been dismissed?

2. If so, was an investigation held and by whom?

3. Who is now in charge of this light and on whose recommendation was the temporary appointment made?

Mr. DURANLEAU:

1. No, he resigned.

2. Answered by No. 1.

3. Ovide Bourdages; by direction of the Minister of Marine.

ST. SULPICE, QUE., WHARF

Mr. SEGUIN:

1. Who advised the engineer in charge of the works on the wharf at St. Sulpice, Quebec, carried on by the federal Department of Public Works during the course of the year 1930, to dismiss Mr. Mederic Lacombe as foreman of the said works?

2. Who advised the engineer in charge of the said works, that the services of Mr. Mederic Lacombe were not satisfactory?

3. Who advised the above-mentioned engineer of the works on the wharf at St. Sulpice, regarding the opportunity of nominating Mr. J. E. Robitaille to replace Mr. Mederic Lacombe as foreman of the said works?

Mr. STEWART (Leeds):

1 and 2. Dismissed by engineer in charge of works for not following instructions.

3. District engineer.

RIVIERE DU LOUP, QUE., WHARF

Mr. POULIOT:

1. What is the depth of the water: (a) at low tide, and (b) high tide, at the northeast end of the wharf at Riviere du Loup, Quebec?

2. What is the depth at forty feet from the end of said wharf?

Mr. STEWART (Leeds):

The following are based on soundings taken October, 1929.

1. (a) Approximately 15 feet low spring tide; (b) approximately 27 feet high neap tide; approximately 31½ feet high spring tide.

2. Approximately 16 feet at low tide with 12 or 16½ feet more at high tide.

PETERBOROUGH, ONT., GOVERNMENT GRADER

Mr. GRAY:

1. Has the Minister of Agriculture received any complaints regarding the failure of government grader, Donald McKinnon, of Peterborough, grading the hogs of the Canada Packers Limited?

2. Has the minister ascertained that one of the weighers of Canada Packers Limited has been grading the hogs at Peterborough plant instead of the government grader?
3. Have the government manifests of the government grader at Peterborough been discovered missing and for what years are these manifests of the government grader missing?
4. Has the minister investigated as to whether there has been a shortage in weights discovered at the Canada Packers Limited plant at Peterborough, between weights given to the farmers on sale tickets and the weights shown by the weighers' records of the Canada Packers Limited at its Peterborough plant?
5. Has the minister instituted the investigation?
6. Does the minister intend to institute an investigation?

Mr. WEIR (Melfort):

1. Yes, by personal and confidential letter.
2. The usual practice is followed in administering the hog grading regulations at the Peterborough packing plant. In the event of the official hog grader being called to the country for a hog grading demonstration or other work in connection with swine improvement in the district immediately surrounding the packing plant, arrangements are made for the grading of the hogs at the plant by an official of the plant subject to the supervision and approval of the official hog grader on his return.
3. No; hog grading records for the province of Ontario are filed at the office of the district swine grader, 59 Victoria street, Toronto 2, from which office reports on the grading are issued to the farmers and shippers.
4. No.
5. No.
6. No. Under the British North America Act, authority for such an investigation is vested with the Province.

CANADIAN NATIONAL RAILWAYS—EX-CONDUCTORS

Mr. POULIOT:

1. Were Messrs. Noel Plourde and Joseph Plourde, ex-conductors on the Canadian National Railways, reinstated?
2. If so, on what date?

Mr. MANION:

1. The management advise that Noel Plourde has not been reinstated. No record of a Joseph Plourde employed as conductor.
2. Answered by No. 1.

BUTTER IMPORTS

Mr. RAYMOND:

1. How many pounds of butter were imported into Canada during the month of April, 1931, from: (a) New Zealand; (b) Australia; (c) other countries?
2. What was the average price of butter per pound, in Canada during the month of April, 1931?
3. What was the lowest price per pound at which butter sold, in Canada during the month of April, 1931?
4. What was the lowest price per pound at which butter sold, in Canada during the month of May, 1931?

Mr. STEVENS:

1. Canada's imports of butter in pounds, during April, 1931, from (a) New Zealand, (b) Australia, (c) other countries, were: (a) New Zealand, 7,100 pounds; (b) Australia, 489,944 pounds; (c) other countries, 518 pounds.
2. Creamery at retail, 37.2 cents.
3. Creamery at retail, 32½ cents.
4. Creamery at retail, 24 cents.

Note.—All questions are based upon prices as for the 1st of both months.

CENSUS COMMISSIONER, TÉMISCOUATA

Mr. POULIOT:

1. Who was appointed census commissioner for the county of Témiscouata?
2. What is his salary?
3. Who recommended him to the department?
4. How many census enumerators will be appointed in the county of Témiscouata?
5. What salary will each one receive?
6. By whom will they be appointed?

Mr. STEVENS:

1. Mr. Romeo Tremblay.
2. An allowance of $250 to cover organization expenses and for viseing of the returns made by the enumerators; checking them and forwarding to Ottawa; verification of enumerators' accounts and the general supervision of the census within the district over which he is appointed as Commissioner the following rates are provided: 1 cent for each name on the "population" schedule; 3 cents for each "Agricultural" schedule; 1 cent for each entry on the "Animal and animal products, not on farm" schedule; 1 cent for each record of blind and deaf persons; 1 cent for each record of merchandising and service establishments.
3. Appointed by the Honourable the Minister of Trade and Commerce.
4. Information not yet available.
5. Five cents for each person recorded on the population schedule; 5 cents for each absentee family; 5 cents for each closed house card; 35 cents for farms of 5 acres and over; 25 cents for farms of 1 to less than 5 acres; 35 cents for vacant and abandoned farms; for animals, animal products and fruits, etc. not on farms, 10 cents per family; for merchandising and service establishments 10 cents each; for blind and deaf persons 5 cents per name; in lieu of horse hire and all other expenses at the rate of $5 per 100 names on population schedule.

6. By the Honourable the Minister of Trade and Commerce.

ROSEMOUNT, MONTREAL, PROPOSED POSTAL STATION

Mr. LAURIN:

1. Has the government received a petition or delegation requesting that a postal station be erected in the district of Rosemount, Montreal?

2. If so, what action is the government taking in connection with such petition?

Mr. SAUVE:

1. Yes.

2. The department is studying the present postal needs of Montreal district, and as soon as possible the case of Rosemount will be fairly considered.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ACID PHOSPHATE DUTY

Mr. RALSTON:

1. Has the government or the Minister of National Revenue placed a value upon acid phosphate for duty purposes under the dumping clause?

2. If so, what is that value?

3. Why was such value fixed, and when did it take effect?

4. Will the minister bring down copy of order in council or other ruling fixing such value?

5. Is acid phosphate manufactured in Canada?

6. If so, at what places and by what companies?

7. Where is the raw rock used in its manufacture obtained?

8. If there is not at present any acid phosphate produced in Canada, does the government know of any preparations being made for its manufacture?

9. If so, where and by whom?

TRENT CANAL SUPERINTENDENT

Mr. BOUCHARD:

1. During what periods and for what purpose and what were the dates of absences of Mr. A. L. Killaly, superintendent of the Trent canal at Peterborough during the years 1929, 1930 and 1931?

2. What leave of absence was given to other members of the office staff on the Trent canal at Peterborough, and what were the dates and purposes of such leave?

BOARD OF PENSION COMMISSIONERS

Mr. MACKENZIE (Vancouver):

1. How many cases were allowed by the Board of Pension Commissioners between October 1, 1930, and April 30, 1931?

2. How many cases rejected by said board were allowed by the pensions tribunals in the same period?

[Mr. Stevens.]

3. How many cases rejected by the pensions tribunals were allowed by the appeal court in the same period?

4. How many cases allowed by the pensions tribunals were rejected by the appeal court in the same period?

5. What was the cost during the same period of: (a) the Board of Pension Commissioners and their administration as such; (b) the pensions tribunals: (1) salaries; (2) travelling expenses; (c) pension advocates: (1) salaries; (2) travelling expenses; (d) commission counsel: (1) salaries; (2) travelling expenses; (e) the appeal court: (1) salaries; (2) travelling expenses?

6. What was the monetary value of all pensions paid during same period: (a) by decisions of the pensions board and not appealed; (b) by decisions of the pensions tribunals and not appealed; (c) by decisions of the appeal court?

7. How many cases (outside the decisions of the pensions board) have been finally disposed of by the appeal machinery in the same period?

8. How many cases were finally disposed of by the old federal appeal board between May 1, and October 1, 1930?

9. How much was the monetary value of such decisions?

10. What was the cost to Canada?

UNOPPOSED MOTIONS FOR PAPERS

UNEMPLOYMENT RELIEF—SHERBROOKE

Mr. HALL (for Mr. Howard):

For a copy of all documents, correspondence, memoranda, letters, etc., exchanged between the Minister of Labour at Ottawa and the Director of Unemployment at Ottawa, and any person or persons, in connection with the expenditure of moneys under the Unemployment Relief Act, in the county of Sherbrooke, Quebec.

ST. BENOIT DE MATAPÉDIA POST OFFICE

Mr. MARCIL:

For a copy of the report made by Mr. Gerard Simard, commissioner, of St. Benoit de Matapédia post office, and copy of the affidavits produced at this investigation.

PIERRE TRUDEL

Mr. DESROCHERS:

For a copy of all papers, documents, memoranda, certificates, charges and reports, in connection with the dismissal of Pierre Trudel, an employee of the Department of Marine, Quebec agency.

ST. JACQUES, MONTCALM, POSTMASTER

Mr. MARCIL (for Mr. Seguin):

For a copy of all correspondence, letters, telegrams, complaints, requests for inquiries and all other documents, exchanged with the Post Office Department or any other member of the government regarding the dismissal of Mr. Joseph Levesque as postmaster of St. Jacques, in the county of Montcalm, and the appointment of his temporary or permanent successor.

RIVIERE DU LOUP, WHARF

Mr. POULIOT:

For a copy of all correspondence, letters, telegrams, reports and plans, in possession of the government departments, in connection with the extension of the Riviere du Loup wharf, since August 7, 1930.

POINTE À LA LOUPE—WHARF CONSTRUCTION

Mr. POULIOT:

For a copy of all reports and correspondence regarding claim made to the Department of Public Works by Mr. C. E. Michaud, of L'Isle Verte, Quebec, for the occupancy or possession of a lot used in the construction of a wharf at Pointe a la Loupe, at St. Eloi station, in the county of Temiscouata, Quebec.

ST. CANUT, QUEBEC—DISMISSAL OF POSTMASTER

Mr. CASGRAIN:

For a copy of all documents, letters, correspondence, and testimonials given at the inquiry held in connection with the dismissal of Alderic Legault, postmaster of St. Canut, Quebec, and also copy of report of the inquiry commissioner.

TROIS PISTOLES, WHARF REPAIRS

Mr. POULIOT:

For a copy of all correspondence, reports, plans, pay lists, bills and invoices, or other documents in the possession of the Department of Public Works, in connection with repairs to the Trois Pistoles wharf, in the county of Temiscouata, since August 7, 1930.

NOTRE DAME DU PORTAGE, WHARF REPAIRS

Mr. POULIOT:

For a copy of all correspondence, reports, plans, bills and invoices, and other documents in the possession of the Department of Public Works, in connection with repairs to the wharf of Notre Dame du Portage, county of Temiscouata, since August 7, 1930.

RIVIERE DU LOUP, POST OFFICE

Mr. POULIOT:

For a copy of all correspondence, reports, calls for tenders, tenders and plans, in the possession of the Department of Public Works, in connection with the construction of a veranda at the post office of Riviere du Loup, Quebec.

TROIS PISTOLES, POST OFFICE

Mr. POULIOT:

For a copy of all correspondence, reports, plans and other documents, in the possession of the Department of Public Works, since August 7, 1930, regarding: (a) the construction of a new post office building at Trois Pistoles, Quebec; (b) rent payable to the town of Trois Pistoles for a post office and the home of the postmaster; and (c) in connection with repairs to the building (the property of the town of Trois Pistoles), where the post office is presently located.

CANADIAN EXPORTS AND TRADE BALANCES

Mr. MACKENZIE (Vancouver):

1. Canada's exports to the United States in 1922 and 1929.
2. Canada's exports to foreign countries other than the United States in 1922 and 1929.
3. Canada's imports from the United States in 1922 and 1929.
4. Canada's imports from foreign countries other than the United States in 1922 and 1929.
5. Canada's exports to the United Kingdom in 1922 and 1929.
6. Canada's imports from the United Kingdom in 1922 and 1929.
7. Canada's exports of manufactured goods to the United States in 1922 and 1929.
8. Canada's exports of raw material to the United States in 1922 and 1929.
9. Canada's imports of raw materials from the United States in 1922 and 1929.
10. Canada's exports to the following countries in 1922 and 1929: Germany, Netherlands, Belgium, Italy, British West Indies, New Zealand, Australia, France, Portugal, Spain, Dutch East Indies.
11. Amount in value of Canada's exports to other portions of the British Empire in 1929.
12. Amount in value of Canada's imports from other portions of the British Empire in 1929.
13. Canada's favourable trade balance with foreign countries giving Canada tariff concessions for the fiscal year ending March 31, 1930.
14. Canada's favourable trade balance with British countries giving Canada Empire preference for the fiscal year ending March 31, 1930.
15. Canada's favourable trade balances with the following countries for the fiscal year ending March 31, 1930: Australia, France, Italy, Belgium, Netherlands, Japan.

Mr. BENNETT: A question is raised here of considerable importance. I mentioned it the other day. This substitutes for a member's own industry the public service of the country. The ability of the staff of a department to carry on and at the same time answer questions for which the blue books are provided is one which I think hon. members might seriously consider. All these figures are in the trade and commerce reports, and the hon. member or his secretary or someone else could obtain the information in a short time. To turn the staff of the department on this work and other work of a similar character is not customary, at least in the British parliament, and I have not seen it carried to such an extent as it is here. I should hardly think that, on consideration, the hon. gentleman would regard this as a matter on which the members of the statistical branch of the Trade and Commerce department should spend a week or so for the purpose of obtaining information, while they are performing their own work.

Mr. MACKENZIE (Vancouver): I might point out that the nature and the form of the

questions were obtained by me from similar questions asked by the right hon. gentleman and his friends when they were in opposition.

Mr. BENNETT: If that is so, the hon. gentleman has no excuse for asking the question, because the answer is before him.

Mr. MACKENZIE (Vancouver): The answer is not up to date.

Mr. BENNETT: Why not ask for it up to date?

Mr. MACKENZIE (Vancouver): I intend to do so later on.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Carried.

Motion agreed to.

UNEMPLOYMENT RELIEF, RIVIERE DU LOUP

Mr. POULIOT:

For a copy of pay lists of the unemployment relief work in the city of Riviere du Loup, Quebec, before January 1, 1931.

Mr. GORDON: The Department of Labour has not in its possession the pay lists referred to in this motion. It is doubtful whether such lists would be supplied to the department. In dealing with the various provinces in connection with the payment of these moneys it has not been the practice to demand a detailed pay list, but merely to ask for a certificate that the money was paid in the way it was intended to be paid, which certificates are attested to by the proper treasury officials of the various provinces.

Mr. POULIOT: Could the hon. minister advise whether or not these lists are made out in duplicate, and if so, is a copy left with the minister of public works or the minister of labour of the province?

Mr. GORDON: The department does not receive the lists, it receives only the certificates of the province duly certificated by affidavit.

Mr. POULIOT: Is it within the personal knowledge of the hon. member that duplicate copies of the lists are left with the minister of labour of each province? I would like to know where I could get a copy.

An hon. MEMBER: Ask Taschereau.

Mr. SPEAKER: Does the hon. member desire to press the question?

Mr. POULIOT: No.

Motion withdrawn.

[Mr. I. A. Mackenzie.]

CACOUNA, TEMISCOUATA COUNTY, QUEBEC— RURAL MAIL ROUTE NO. 2

Mr. POULIOT:

For a copy of all correspondence and reports in possession of Post Office Department in reference to the rural mail route No. 2 of Cacouna, Temiscouata county, Quebec.

Mr. CAHAN: There should be a time limit to this motion.

Mr. POULIOT: Since last August, say August 1, 1930.

An hon. MEMBER: Since the turmoil.

Motion as amended agreed to.

ST. CLEMENT, TÉMISCOUATA COUNTY, QUEBEC— RURAL MAIL ROUTE NO. 1

Mr. POULIOT:

For a copy of all correspondence and reports in possession of Post Office Department in reference to the rural mail route No. 1 of St. Clément, Temiscouata county, Quebec.

He said: From August 1, 1930.

Motion as amended agreed to.

ST. CYPRIEN, TEMISCOUATA COUNTY, QUEBEC— RURAL MAIL ROUTE NO. 1

Mr. POULIOT:

For a copy of all correspondence and reports in possession of the Post Office Department in reference to the rural mail route No. 1 of St. Cyprien, Temiscouata county, Quebec.

He said: The same amendment, from August 1, 1930.

Motion as amended agreed to.

ST. PAUL DE LA CROIX, TEMISCOUATA COUNTY, QUEBEC— RURAL MAIL ROUTE NO. 1

Mr. POULIOT:

For a copy of all correspondence and reports in possession of Post Office Department in reference to the rural mail route No. 1 of St. Paul de la Croix, Temiscouata county, Quebec.

He said: From August 1, 1930.

Motion as amended agreed to.

RAVIERE TROIS-PISTOLES, TEMISCOUATA COUNTY, QUEBEC— RURAL MAIL ROUTE NO. 1

Mr. POULIOT:

For a copy of all correspondence and reports in possession of Post Office Department in

reference to the rural mail route No. 1 of Rivière Trois-Pistoles, Temiscouata county, Quebec.

He said: From August 1, 1930.

Motion as amended agreed to.

CONFEDERATION OF CANADA AND NEWFOUNDLAND

Mr. VENIOT:

For a copy of all correspondence exchanged between the Right Hon. R. B. Bennett, Prime Minister of Canada, and W. A. McKay, of St. Johns, Newfoundland, and any other person, relating to the subject of confederation of Canada and Newfoundland.

Mr. BENNETT: If ever there were a question which should not be on the order paper this is one. I have had no official correspondence with Mr. McKay, whom I do not at the moment recall knowing. I received a personal communication from him which I did not treat as an official communication in any sense, and I simply replied to it.

Mr. VENIOT: That is sufficient answer.

Mr. BENNETT: Mr. McKay was in no way connected with the government of Newfoundland. I desire to make it perfectly clear that it would be most unfair to leave the impression that someone connected with Newfoundland had carried on official correspondence with myself.

Mr. VENIOT: I have been advised that this Mr. W. A. McKay has been circulating letters in connection with the confederation of Canada and Newfoundland purporting to have come from the Prime Minister of Canada. I am pleased to hear from my right hon. friend that no such letters exist.

Motion dropped.

RIVIERE DU LOUP, QUEBEC—WHARF REPAIRS

Mr. POULIOT:

For a copy of all correspondence, letters, telegrams, reports, pay lists (original, corrected or revised), itemized bills of carters and materials, in connection with the wharf repair works at Riviere du Loup, Quebec, since August 7, 1930, to date.

He said: I would like to add the word "chauffeurs" after the word "carters" in the third line.

Motion as amended agreed to.

TOWNSHIP OF VIGER—MAIL CONTRACT

Mr. POULIOT:

For a copy of all correspondence and reports in the possession of the Post Office Department, in connection with the establishment of a post office and the transportation of mail on the eighth and ninth back settlements of the township of Viger, in the county of Temiscouata.

Mr. CAHAN: Since August 1, 1930.

Mr. POULIOT: Yes.

Motion as amended agreed to.

MOTIONS FOR PAPERS

TARIFF BRIEF SUBMITTED TO GOVERNMENT BY DOMINION CARTRIDGE COMPANY

Mr. E. J. YOUNG (Weyburn) moved:

For a copy of the brief or briefs submitted to the government by the Dominion Cartridge Company, or by any other manufacturer or manufacturers of ammunition, in connection with an application for increased duties on ammunition.

Mr. BENNETT: This return cannot be brought down. Part of the information asked for is regarded as confidential: not confidential in the narrow sense of the term, but confidential as such information would be before a tariff board. It involves knowledge of the details of manufacturing costs by rival interests in a particular business, and just as tariff boards in this and other countries have regarded as confidential in the very nature of things such information as the internal operations of enterprises and just as the railway company has declined to bring down information regarding certain matters that will give its competitors knowledge which they otherwise would not possess, so we must decline to accede to the hon. gentleman's motion to bring down the return for which he asks.

Mr. POULIOT: If the ammunition were dropped, it might explode.

Mr. BENNETT: If it exploded in some quarters near at hand, that would be of great benefit to the country.

Mr. SPEAKER: Does the hon. member wish to proceed with the resolution?

Mr. YOUNG: Yes.

Mr. CAHAN: I am informed by the officials who received this information that it was obtained on the ground that it would be considered as absolutely confidential.

Mr. SPEAKER: It is for the house to decide whether the resolution shall be agreed to or not.

Mr. BENNETT: In view of the statement made by the Secretary of State that officials of the department informed him that when this brief was filed, it was filed on the distinct understanding that some portions of it

were purely confidential, does Your Honour think the house should violate their undertaking which is really an obligation in that sense and which, I think, has been so regarded in times past in the house?

Mr. MACKENZIE KING: This raises a much larger question, namely, whether increases in the tariff are to be given as a result of confidential information. If any interest is seeking to benefit by an increase in the tariff, such interest ought to be prepared to give to the public all the information necessary to enable the public to judge whether the increase has been given without fear, without favour and in the public interest. That is a very large question, and before rejecting this motion, I hope the Prime Minister will give that phase of the question a little further consideration.

Mr. BENNETT: I have given it consideration. The same question arises frequently before tariff boards in the United States and in this country as well. This subjecting of the cost figures of internal operations of a company to a competitor has never been done in any instance. It is not only unfair, but it is not allowed even in the railway committee in the case of a railway of which we are the shareholders. The right hon. gentleman, I think, confuses two things. The responsibility must be assumed by the government with respect to its tariff legislation, and the method by which it arrives at the legislation may, of course, at times be, as has been said, wholly inaccurate, but it gets the best information it can, sometimes from a tariff board, sometimes from other sources, and sometimes from both. But I should be loath to believe that the house is of opinion that confidential information connected with the internal economy of the various enterprises in Canada should be made public in the house and thereby benefit a competitor. In this instance the information was given to the government on the distinct understanding that it was not to be subject to publicity. The government, of course, must assume the responsibility for any action it takes, not upon secret information but upon information which is furnished to a cabinet of Canadians who have to consider and deal with the problems in the best way it can. Under our tariff measure now before the house it is not proposed that this information should be made public. The question involves not only this but many other matters of the same character. I am inclined to think upon mature reflection the hon. gentleman himself will see how unfair it would and must be in the very nature of things to divulge such information when there are competitors—and I shall not go into the question of who they are—who are interested in this particular business and who would be very glad to get this information in this way when they otherwise could not secure it.

Mr. VENIOT: Does the Prime Minister mean competitors within Canada or without?

Mr. BENNETT: Without, partly.

Mr. YOUNG: I might explain in a word why I asked this question. The price of ammunition in other countries has dropped. The price in Canada was about to drop when the Customs department interfered and prevented its doing so. I understand this was done at the instance of a certain Canadian manufacturer who furnished certain information which was contained in a brief submitted to the government. In order to get at the truth and to know why the department interfered to prevent the price of ammunition dropping in this country, I asked this question, and I ask that the motion be voted on.

Mr. WOODSWORTH: If the Secretary of State (Mr. Cahan) assures us that in this particular instance he has given a guarantee that this information will not be made public, I do not think the house can very well override that statement of his. On the other hand, I should like to point out to the Prime Minister (Mr. Bennett) that as soon as a firm of this kind makes representations for an increased tariff which means a burden on the general consuming public, that business ceases to be private in character.

Mr. SPEAKER: The motion is not debatable, and no one has suggested it is out of order.

Mr. BENNETT: I suggested it was out of order.

Mr. SPEAKER: I did not so understand.

Mr. BENNETT: I said that I conceived one part of it so to be, but I was not going to argue the question at length. The ground on which the motion may be opposed is clearly stated in the manual of procedure at page 136 of Beauchesne where it is stated:

> A motion for a return may be opposed on the ground of public policy, such as that the disclosure of the information sought is not for the public interest, or that its supply would involve unreasonable labour or expense.

The latter part the hon. member for Vancouver Centre (Mr. Mackenzie) will understand. In any event I put it on the larger ground that in view of the statement made

by the Secretary of State, the house should not furnish that information. In the main I agree with what the hon. member for Winnipeg North Centre has said; this is a case where definite information was given on a distinct understanding, and in my judgment the house should not take the view suggested that the information be divulged.

Mr. BROWN: I think we should agree that no such understanding should be given in the future.

Mr. SPEAKER: The citation quoted from the manual of procedure in the public business of the British House of Commons gives a ground for opposing such a motion as a matter of public policy, but I do not think it goes so far as to entitle the Speaker to rule the resolution out of order. It is for the house to deal with it, either pass it or not. Whether it would be in the interest of the public or a matter of public policy to pass the resolution is entirely for the house to decide.

Motion negatived.

DOMINION ELECTIONS ACT

RIGHT OF APPEAL SUGGESTED IN CONNECTION WITH THE PREPARATION OF VOTERS' LISTS

Mr. A. B. THOMPSON (East Simcoe) moved):

For a copy of all correspondence and other communications in the possession of the government, relating to the preparation of the voters' list for the municipality of Port McNicoll, in the riding of East Simcoe, and a copy of the original list as prepared by the enumerator, and of the revised list as prepared by him for use on election day. Also a copy of any communications exchanged between the chief electoral officer and the returning officer or any other person as to the conduct of the poll on election day.

He said: I desire to say a few words in connection with this resolution standing in my name. I want to enter a protest against the manner in which a number of the electors in my riding were deprived on election day of their right to vote. I claim that a number of the voters in my riding were wrongfully deprived, in connection with the preparation of the voters' list, of their right to vote.

Port McNicoll, for the purpose of the Dominion Elections Act, is a rural municipality, and so the preparation and revision of the voters' list is left in the hands of the local registrar. The registrar prepared his preliminary list, which he posted up in the usual way, and then, in accordance with the provisions of the act, he proceeded to revise the preliminary list, and then issued his final or revised list. When his final list was given out, it was found that the registrar had omitted 90 names that he himself had placed on the preliminary list. The registrar in the preparation of this preliminary list is supposed to put on the names of all those whom he believes to be entitled to vote, but when he issued the final list he had taken off 90 names that he himself had put on the preliminary list. The men whose names were struck off received no notice and were given no opportunity to come before the registrar and swear as to their qualifications. They were given no chance at all to prove their right to have a vote. I suppose the reason why this extraordinary power is given to a registrar, there being no appeal from his decision in the matter, is that there is a further provision in the act which says that if the name of a voter in a rural municipality is omitted from the list, the voter may, on election day, go before the deputy returning officer, swear as to his qualifications, be vouched for under oath by a voter already on the list, and then he can demand a ballot. But, sir, Port McNicoll is a lake port town. These men whose names were struck off the list are mariners, forming part of the crews of the four Canadian Pacific steamboats running between Port McNicoll and Fort William. All these boats will not be in port on election day, and in order to give the voters a chance to vote, provision is made in the Act for an advance poll, which under ordinary circumstances would give every one of these men a chance to vote. But, sir, no man can vote at the advance poll unless his name is actually on the list, and so these 90 men—at least from one-half to three-quarters of them—were automatically deprived of the right to vote, because at the most two of these boats, and probably only one, would be in port on election day.

I submit that the elections act should be amended to provide for an appeal from the decision of the registrar, in order that eligible voters such as I have mentioned should not be deprived of their vote. In 1926, with the same number of Canadian Pacific boats in commission and the same number of crews, there were 77 voters who polled their votes at the advance poll. In 1930 this number was reduced to 15, showing conclusively how this thing worked out.

Immediately this revised list was issued by the registrar, my friends directed my attention to it, whereupon I telegraphed to the chief electoral officer. I was in Orillia at the time, right in the midst of my campaign. I wired the chief electoral officer as follows:

Orillia, July 2, 1930.

Registrar at Port McNicoll in East Simcoe, Ontario, acting under instructions from returning officer, has struck off about 90 voters from list. These men come to Port McNicoll about March, and remain there until end of December, sailing in boats from Port McNicoll to Fort William and return. Many of them unmarried with no other permanent residence. Returning officer justifies his action on letter received from you. Think facts cannot have been properly explained to you. Request that you wire registrar to put these names back on list. Kindly answer me.

A. B. Thompson, M.P.

I received this reply:

Ottawa, July 4, 1930.

Question dealt with in my letter to returning officer related to persons forming crew of Canadian Pacific Railway boats registered in Montreal and plying between Port McNicoll and other ports. Port McNicoll being described as vessels' home port by reason of their spending occasional layover days there. On these facts and assuming individuals concerned continuously housed on board, they are clearly not entitled to vote in Simcoe East. I advised returning officer that only persons really resident in Port McNicoll should be placed on lists for that place.

Jules Castonguay,
Chief Electoral Officer.

On receipt of that telegram I wrote the following letter:

Penetanguishene, Ont.,
July 7, 1930.

Jules Castonguay, Esq.,
Chief Electoral Officer,
Ottawa, Ont.

Re: Port McNicoll Lists

Dear Sir:

In reply to your telegram to me of July 3, I beg to say that the men struck off the list on your instructions go to Port McNicoll about 15th March, and live on shore until about May 15th, when navigation opens and they then go aboard their boats. I consider that every man is entitled to go on the voters' list for some place. I cannot see how these men could go on any other list but that of Port McNicoll, and I claim that these men will have the right to take the oath on election day and be vouched for and vote. To deprive men of their vote is surely not the intention of the act. Some of these men will have to vote at the advance poll. As I read the act, a man's name has to be actually on the list to vote at an advance poll. Is this right, or has he the same right to take the oath as on election day? I would like to hear from you about this point as well.

Yours very truly,

(Sgd.) A. B. Thompson, M.P.

Then by way of postscript I wrote:

What has the registration of these boats at Montreal to do with the case? They ply between Port McNicoll and Fort William.

To that I received this reply:

Dear Sir,—

I beg to acknowledge your letter of the 7th. The question of the right to vote of persons employed on the Canadian Pacific steamships was put to me as depending upon whether they could properly be said to be resident in East Simcoe by reason of the fact that Port McNicoll was what was described as their "home port," although not the boat's port of registration, the expression "home port" apparently meaning the port at which the boats lay over between trips, the members of the crew, however, remaining on board. I advised, after consulting with Mr. Biggar, that this casual relationship of the ships to Port McNicoll did not give to the members of the crew who lived upon them the right to describe themselves as "resident" in Port McNicoll or entitle them to vote in Simcoe East as having been resident in that electoral district on May 30th inst.

I have discussed the matter further with Mr. Biggar in the light of your letter under reply and he advised me that the fact that the individuals in question came to Port McNicoll in March and remained there until they joined their ships about the middle of May makes no difference to their qualification assuming that whatever lodgings they had during that interval were, as one would expect, given up upon the ship going into commission, and that thereafter they lived on board. If any particular individuals among them could properly claim to have continued, notwithstanding their having joined their ships, to have retained a residence in Port McNicoll, the conclusion with regard to them might be different, but speaking generally, I suppose it may be assumed that once they did join their ships their residence ashore ceased.

Only those persons whose names appear on the list are entitled to certificates to vote at an advance poll. The deputy returning officer at an advance poll has no authority to accept any vote from a voter who has not obtained a certificate, and the registrar cannot issue a certificate to anyone whose name has not been included in the list he has prepared.

Yours truly,

Jules Castonguay,
Chief Electoral Officer.

Now, Mr. Speaker, the chief electoral officer has assumed too much, because as a matter of fact the following are the circumstances. These men start their work on shore about the 15th of March and remain continuously on shore until the 15th of May, when they go aboard their boats. These boats do not occasionally call at Port McNicoll; they call there twice a week. When the navigation season closes these men go ashore again, return to their lodgings and work in the locality until about the end of December. January and February are their holiday months, and they may go away for those two months, but as I said before, they return about the 15th of March. Therefore why these men should be deprived of their right to vote at Port McNicoll is beyond my comprehension. It is the only place where they have any residence, and they could not go on the voting list in any other place.

I may say that I addressed a public meeting at Port McNicoll after the lists were pre-

pared and after I had had this correspondence with the chief electoral officer. At that meeting I stated that any man whose name had been wrongfully left off the list, and who was in port on election day, had the right to go to the polling booth and demand a ballot, on taking the oath as to his qualifications and on being vouched for by a man whose name was already on the list. That was my advice to the electors, and I believe it to be sound. But, sir, I desire to call attention to what happened on election day, when one of these boats was in port. I have had two affidavits sent to me which I propose reading. The first is by Alexander Campbell and is as follows:

County of Simcoe, and Province of Ontario.

I, Alexander Campbell, of the village of Port McNicoll, in the county of Simcoe, and the province of Ontario, make oath and say:

That I am 28 years of age, single, and was born in Harris, Invernesshire, Scotland.

That I am employed as a sailor on the SS. Keewatin sailing between Port McNicoll and Fort William.

That I have been in Canada since May, 1927, spent one year in Owen Sound, coming to Port McNicoll in 1928, and have resided continuously in Port McNicoll ever since.

That I took a vacation from December 12, 1929, to April 16, 1930, to Harris, Scotland. The previous winter I spent in Port McNicoll, making my home with Bertram Scott, having no other home in Canada.

That on July 28, 1930, I called at the polling booth in Port McNicoll at 2 p.m. and my name not being on the voters' list I made application for ballot but was refused by the district returning officer. I returned again at 3 p.m. and took the oath of residence but still the ballot was refused me even with my late landlord to swear to the accuracy of my statement as to residence and on the order of district returning officer Daly I was placed under arrest by the polling booth constable I. Bosley. On Mr. Wm. Finlayson assuming responsibility for my appearance when requested I was released.

That I have heard nothing further about the matter or why I was not allowed to vote after taking the oath of residence.

That the above statement is true, So Help me God.

Sworn before me at Port McNicoll, in the county of Simcoe, and province of Ontario, this 7th day of October, 1930.

Alexander Campbell.

Jas. C. Young,
Notary Public.

The second affidavit is by Fred B. Chidwick and is in these terms:

County of Simcoe, and province of Ontario.

I, Frederick Benjiman Chidwick, of the village of Port McNicoll, in the county of Simcoe, and the province of Ontario, make oath and say:

That I am 24 years of age, single, and was born in London, England.

That I am employed as a waiter on the SS. Keewatin, sailing between Port McNicoll and Fort William.

That I have resided in Canada since 1922, with the exception of one year vacation in England during 1925.

That I farmed in Shelburne for 15 months prior to shipping on the SS. Alberta in September, 1924, went to England in 1925, returned to Canada in 1926 and shipped on the SS. Assiniboia. In 1927 I shipped on the SS. Keewatin and I have remained a member of the stewards crew through the intervening years.

That during the closed season or winter months I spend some time travelling and visiting other cities but I always consider Port McNicoll my home as I have none other.

That at 10 a.m. on July 28, 1930, I went to the polling place in Port McNicoll, and my name not being on the voters' list I demanded a ballot which was refused me by the district returning officer Daly. I went back twice that afternoon and was finally told that if I could swear to my residence I would be given a ballot. I took the oath but ballot was withheld from me on the advice of Mr. Harvie, a lawyer from Orillia who swore information against me accusing me of perjury. At the instigation of district returning officer Daly I was placed under arrest by the constable I. Bosley. I was released after Mr. McCormick, general foreman of the Canadian Pacific Railway in Port McNicoll who vouched with Dr. McPhee, for my eligibility to vote became responsible for my appearance to answer the charge preferred against me.

That up to the present time I have heard nothing further about the matter or why I was deprived of exercising my franchise.

That the above statement is true, so help me God.

Fred B. Chidwick.

Sworn before me at Port McNicoll, in the county of Simcoe, and in the province of Ontario, this 7th day of October, 1930.

Jas. C. Young,
Notary Public.

The prosecution of these men was never proceeded with; it was never intended that it should be proceeded with. The idea was to deprive them of their votes, and I want to know if the Dominion Elections Act can be played with in this manner so that honest men are deprived of their votes. I understand that under the common law of England, if a voter is wrongfully refused a ballot the deputy returning officer is liable to damages up to £200, but in Canada, under circumstances such as I have outlined, there is no such responsibility on the deputy returning officer, because our act specially protects him in these circumstances. It says:

Any resident of a rural polling division may vote notwithstanding that his name has been altogether omitted from the list of voters. In any such case the voter must take the oath E on the card, and he must also be vouched for upon oath by some other resident of the polling division whose name is on the voters' list.

Then it concludes as follows:

Thereupon the particulars of the voter whose name was omitted from the voters' list will be added to it with the word "sworn" following,

and the voter must be given a ballot unless he is immediately proceeded against for perjury; the deputy returning officer has no discretion to refuse the voter a ballot unless a charge is forthwith laid before him.

That is the case here. The English common law gives a man some remedy, on the principle that no wrong can exist without a remedy, but in Canada our elections act takes away from the voter that right. No doubt you are familiar, Mr. Speaker, with that passage from the Bible which says:

Or what man is there of you, whom if his son ask bread, will he give him a stone?

These Canadians asked of their country the right to vote, and what happened? They were arrested. They had a grievance, and they have asked me to bring it before parliament. I have done so, and I leave in the hands of parliament the matter of providing a remedy or affording redress.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I rise not to oppose the motion, because I can see no objection to its being passed, but with the idea that a word or two might well be said to relieve misapprehension as to where responsibility, if any, lies for shortcomings in the act or its administration. If the facts are —as I am sure they are—as my hon. friend (Mr. Thompson) has represented, it would appear that men who were entitled to vote were prevented from doing so, and that certainly the law either as drafted or as administered should be changed in order to make it quite certain that every citizen shall have the first right of a citizen, namely, to participate in the elections.

The act under which the elections take place is the "act respecting the election of members of the House of Commons and the electoral franchise," which is cited as the Dominion Elections Act, 1920. That will make clear to my hon. friend and his friends the time at which the elections act was drafted in its present form. As I recall it, the act was revised considerably at the time the Union government was in office.

Mr. BENNETT: We have been revising it these last two or three years.

Mr. MACKENZIE KING: There have been some revisions, but I do not think they have touched the essential points brought up in the remarks of my hon. friend who has just taken his seat.

The fact I would like to make clear is this, that the elections act itself, in the main, assumed the form in which it now appears as a result of the important revision which took place in 1920. Under the act as revised, the business of elections is in the hands of the chief electoral officer, who is an officer of the House of Commons and appointed by this House of Commons. The electoral officer appointed at the time the act was revised was Mr. Oliver Mowat Biggar, whose name has been mentioned by my hon. friend as the legal adviser of the present chief electoral officer. Colonel Biggar was the first chief electoral officer to administer this act as revised, and Colonel Biggar was appointed as a result of a conference, if I remember aright, between the present Minister of Justice and myself, acting together and speaking for the two sides of the house, with a view to securing unanimity with regard to the person who should be chosen as chief electoral officer. All political parties, as a matter of fact, were agreed that Colonel Biggar, having had very much to do with the preparation of the act itself, would be the best possible person to be appointed as chief electoral officer. Mr. Castonguay was appointed assistant electoral officer, and when Colonel Biggar resigned the position, desiring to leave the public service altogether to take up the practice of his profession independently, Mr. Castonguay was by resolution of this house promoted to the position of chief electoral officer.

When the last elections took place the government then in office thought it would be advisable to reassociate Colonel Biggar in some way, if that were at all possible, with the then chief electoral officer, Colonel Biggar being the best informed of any person in the Dominion with respect to the act and its various provisions, and what should be done with regard to any matters which might come up under its provisions in the course of an election.

Mr. HANSON (York-Sunbury): Will the right hon. gentleman allow me? Is he attempting to state the reason why Colonel Biggar was made counsel to the chief electoral officer? Does he not know that it was the consensus of opinion of the special committee dealing with the elections act last year and the year before that Mr. Castonguay was not qualified to carry out the provisions of the act?

An hon. MEMBER: Where do you get that?

Mr. HANSON (York-Sunbury): I know, because I was there.

Mr. MACKENZIE KING: My hon. friend is taking a very unfair advantage of any privilege he may have as a member of par-

liament to attack a member of the civil service who is not here in a position to defend himself.

Mr. HANSON (York-Sunbury): I am not doing anything that I did not do to Mr. Castonguay's face last year and the year before, in the committee.

Mr. MACKENZIE KING: There is a great deal of difference between saying something to a man's face when he is in a position to reply, and taking advantage of the privilege which one has as a member of parliament to make statements which I submit should not be made by any hon. member, seeing that they constitute an attack upon a member of the civil service, who is also an officer of this House of Commons but who is not in a position in any way to defend himself. However, the point is quite clear, that Mr. Castonguay came to the office of chief electoral officer by promotion and by unanimous resolution of this house, having been assistant to Colonel Biggar when Colonel Biggar was chief electoral officer, and that he had as legal adviser, Colonel Biggar who was in a better position to advise on matters respecting the elections act than any other individual.

Now with respect to this case at Port McNicoll which has been referred to, the hon. member has read telegrams which would indicate that Mr. Castonguay, the chief electoral officer, had referred the specific questions at issue to Colonel Biggar for his advice, and that he secured and acted upon the advice of Colonel Biggar, so I assume no better course possibly could have been taken. If the advice was not sound, that is a matter for discussion and might well be brought up when the elections act is being considered, but I can think of no one who would be in a better position to advise soundly on any matter pertaining to the elections act than Colonel Biggar, not only from the circumstance that he, more than any other single person, had to do with its drafting, and himself had acted as chief electoral officer, but also because he is a very eminent counsel.

Mr. BENNETT: It is difficult to understand his advice.

Mr. MACKENZIE KING: My right hon. friend says it is difficult to understand his advice. That possibly may be so; that is a matter which I would prefer that lawyers settle among themselves, but what I do submit is that with respect to the course taken by the chief electoral officer, it is not open to criticism. He took the precaution to consult Colonel Biggar, and then in the matter acted upon his advice.

The act, as I have said, was passed in 1920 and the pertinent provisions with regard to the chief electoral officer are as follows:

> The chief electoral officer shall be appointed by resolution of the House of Commons—

That was done with respect to both electoral officers whose names have been mentioned. Then subsection (b) provides that he, the electoral officer, shall:

> exercise general direction and supervision over the administrative conduct of elections with a view to ensuring the fairness and impartiality of all election officers and compliance with the provisions of this act;
>
> (c) report to the House of Commons, through the Speaker, after an election, any matters arising in the course of the election an account of which ought, in his judgment, to be submitted to the House of Commons.

The point I wish to make clear in this connection is that parliament itself has sought to remove and has removed from the possible control of any political party or any government in office the administration of the Dominion Elections Act.

Mr. BENNETT: Was this point referred to? I cannot remember, looking through the report, that the chief electoral officer mentioned this point.

Mr. MACKENZIE KING: I do not know of its having been mentioned, but it seems to me that the particular matter that has been brought up to-day is one that properly would come within the kind of report which the chief electoral officer might be expected to make to the Speaker of the House of Commons. As to the question whether or not this matter was brought by the chief electoral officer to the attention of His Honour the Speaker, I would point to another section of the act which touches specifically upon the rights of parties concerned as respects references to be made to the Speaker by the chief electoral officer. Section 75 reads:

> The chief electoral officer shall, after each election, make a report to the Speaker of the House of Commons, suggesting what, if any, amendments are in his opinion desirable for the more convenient administration of the law, and each candidate and the agent of each candidate shall have the right to send written statements to the chief electoral officer suggesting such changes and improvements in the law as to such person may deem desirable, and to make written complaint of the conduct of any officer employed in such election.
>
> Any such statements and complaints shall be transmitted by the chief electoral officer to the said Speaker, and they shall, together with the report of the chief electoral officer, be forthwith submitted by the said Speaker to the House of Commons if parliament is then sitting, and if not, within fifteen days after the opening of the next session of parliament.

I do not know whether my hon. friend who has just spoken did forward a written statement to the chief electoral officer, suggesting such changes and improvements in the law as to him seemed desirable, and making a written complaint of the conduct of the officer employed in the election. That, I submit, is a step which he would not only have been justified in taking but which he should have taken in a matter of this kind, because as a member of parliament he is interested, as he has shown this afternoon, in bringing to the attention of parliament any deficiencies that exist in the law and in making suggestions as to possible remedies. I am inclined to think that my hon. friend's reason for waiting to bring up the matter in the form in which he has introduced it this afternoon has been due mainly to his desire to make the speech which he has made, and which he has made I think in a very moderate and acceptable way. So far as the remedy to meet such a situation is concerned, the act itself provides, as I now read, that a member of parliament or a candidate may bring to the attention of the chief electoral officer, with a view to having it submitted to His Honour the Speaker, any defect in the law of a character such as has been mentioned to-day. Had that course been pursued, we should not have had to wait until the 25th of May to have knowledge of what took place at Port McNicoll; it would have been the duty of His Honour the Speaker to report the matter at the opening of the house.

I see no reason why the request of my hon. friend for all the information should not be complied with; but I do not think except for the desired publicity there is any reason why he should have made the speech he made this afternoon. In view of what has been said I do see strong reason why just what the act provides should be made clear, lest an inference be drawn from my hon. friend's remarks that the government which was in office at the time of the election was in any way responsible for any defect or deficiency in the law. The act itself was passed by a previous administration, and the chief electoral officer was an officer of the House of Commons, chosen by unanimous resolution of the house. He has sole control of the administration of the act; and, in exercising his functions, he pursued the wisest and best course and was governed by the wisest and best advice which was obtainable. If, in spite of that, someone seems to have been deprived of the right of voting, then it does seem that, obviously, when the act comes to be amended, some remedy should be provided to meet a situation such as that which has been described. And if there are cases of that character, the sooner the act is amended in that particular, the better.

Mr. THOMPSON (Simcoe): What remedy would my hon. friend suggest for the men who were arrested?

Hon. HUGH GUTHRIE (Minister of Justice): The inference which I drew from the statement made to the house by the hon. member for East Simcoe (Mr. Thompson) was that something was seriously wrong in regard to the votes of these ninety men at Port McNicoll during the last election, and I believe it is the duty of the House of Commons in a case like this to endeavour to fix the blame—because blame there was somewhere. Either, Colonel Biggar, the legal adviser of the chief electoral officer, was not fully informed, or he was misinformed. I cannot conceive of his giving the advice which he did give if the facts were as related by the hon. member for East Simcoe to-day—and I believe the facts were fairly related to the house. Ninety men have as a result been deprived of their votes, and a very serious situation has arisen in regard to that poll.

It would appear that certain information passed from the constituency of East Simcoe to the chief electoral officer, of which we are not aware, because it is certain that information went to the constituency of East Simcoe to have warrants issued, ready to apprehend any person of these ninety who should appear and ask for a ballot, or seek to vote. And the two residents of Port McNicoll who did appear at the polling place and who demanded the right to take the oath and vote were immediately arrested. The warrants were there. The case had been prearranged under someone's authority and instructions, and it was only on the intercession of the Hon. William Finlayson, a member of the Ontario government, that these persons were subsequently released. It looks to me as though there were more in this case than appears on the surface.

We have a tribunal in this house specially charged with the investigation of matters of this kind when they are referred to it; that is, the standing committee of the House of Commons with respect to privileges and elections. I do not know that it would be very much satisfaction to my hon. friend from East Simcoe or to the ninety men who were deprived of the right to exercise their franchise on the 28th day of July last, if the hon. member for East Simcoe should merely write a letter to the chief electoral officer, suggesting some amendment in the

law. If a wrong has been done it is our duty to investigate it. On the face of it, I am inclined to think that some kind of conspiracy has existed to deprive these particular men of their votes on election day. My suggestion to my right hon. friend and to the house is that the motion carry, that the papers be produced, and that if they bear out in any way the case which has been made by the hon. member for East Simcoe the matter be referred to the committee on privileges and elections in order that a thorough investigation may be made.

Motion agreed to.

MARINE INSURANCE

FEDERAL PROVISION FOR CANADIAN MARINERS ON GREAT LAKES FROM NOVEMBER 1 TO END OF NAVIGATION

Mr. A. E. ROSS (Kingston City) moved:

That the continuation of navigation after November 1st, on the great lakes has taken a great toll from the lives of our mariners and while this dangerous period of navigation is continued as a national necessity and is yearly undertaken by a courageous marine body, this house deems it the duty of the federal government to provide insurance for each mariner on Canadian boats from November 1st, to the end of navigation.

He said: Mr. Speaker, to any hon. member who represents a constituency the residents of which are largely mariners this motion will be of interest and should receive sympathy. From the first reading of the motion it might appear to be out of order in that it asks the federal government to provide insurance, but if the house will bear patiently with my remarks I hope to show that it is not out of order on that ground. It might appear also to be out of order because of possible interference with the privileges and rights of the provinces, but I hope to be able to show that this is not a provincial matter.

The period of navigation referred to in this motion is a very dangerous one on the great lakes. I think it was in the year 1902 that a well-known steamer, the Bannockburn, disappeared with all on board. No information respecting that disaster has been obtained up to the present time. Twenty-two lives were lost, mostly men from the city of Kingston. Other disasters have since occurred, practically all during this dangerous period. Other steamships cease to operate on or about November 1, but these boats engaged in the transport of grain carry on later than that. The carrying of grain is a national necessity and is therefore a matter of concern to the federal parliament.

Certain measures have been adopted which have effected considerable improvement with respect to this matter. I am proud to say that the province of Ontario has dealt with it most sympathetically. The compensation act of Ontario contains this clause:

Where an accident happens out of Ontario on a steamboat, ship or vessel or on a railway and the workman is a resident of Ontario and the work or service rendered by him is required to be performed both within and without Ontario, the workman or his dependents shall be entitled to compensation under this part as if the accident had happened in Ontario.

In the summary on compensation issued by the Labour department in January, 1931, the following reference is made to this legislation:

The Ontario and Manitoba acts include within their scope the operation of steam vessels and works for the purposes of the business of a navigation company and all other navigation, towing, operation of vessels and marine wrecking, but in Ontario the employer in these industries is individually liable.

My intention in introducing this motion is to bring to the attention of the house and of whatever department it may pertain to—I am not sure what department will be affected—the fact that this matter should be placed beyond any doubt. We have listened to-day to a discussion on what residence means, and if the same doubt exists in regard to the payment of compensation to mariners or their dependents, it would be impossible for them to go into court and testify as to their rights.

Mr. WOODSWORTH: Has the hon. member any information with regard to whether or not other provinces pay such compensation?

Mr. ROSS: That is one of the reasons for my bringing up this motion. I know no decision can be given to-day, but the matter should be discussed in order that we may obtain information as to how the other provinces are treating this matter. Last year the province of Quebec accepted the same standards as those applying in the province of Ontario, at least I have been so informed, but many of these steamship companies have their headquarters in other parts of the Dominion and for the sake of the mariners who are engaged in this hazardous work at the dangerous period referred to, there should be no doubt as to where they stand in regard to the payment of compensation when disasters occur.

This matter is or can be made a federal one. The committee on industrial and international relations brought down in 1926 a ruling which still stands, as follows:

Local works and undertakings, other than such as are of the following classes (a) lines

of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting a province with any other or others of the provinces, or extending beyond the limits of the province; (b) lines of steamships between the provinces and any British or foreign country, such works as although wholly situated within the province, are before or after their execution, declared by the parliament of Canada to be for the general advantage of Canada or to the advantage of two or more of the provinces.

So that the matter can be made a federal one, and I think those of us who represent those ports on the great lakes where so much suffering has been caused in the past by marine disasters will take a sympathetic view of the question and will place it in the hands of some committee or some department of the house where action may be taken so that there may no longer be any doubt with respect to it.

A short time ago the house was sympathetic to a former motion of mine, and I am sure the present motion will command the same sympathy from all parts of the house, having regard to the fact that many constituencies, town and ports that may be concerned are represented here. It may be that some hon. member may have in his constituency a man whose residence may be disputed, but who either has lost his life or may yet lose his life in carrying on this important work, and whose dependents may receive compensation or insurance on that account.

Mr. YOUNG: Farmers engaged in the business to which my hon. friend refers—that is, transporting grain in the winter, but transporting it across the prairies—have been overtaken by a snowstorm and lost their way, and their remains have later been found under a snowdrift. Would my hon. friend be willing to extend insurance to those men also?

Mr. ROSS: I suppose in such a case the wheat belongs to the farmer. The ruling has already been given that if a man owns any part of the boat which goes down, he cannot claim compensation. Even with the law as it is at the present time, if a man takes wheat on a steamboat, the ruling would be against the man who owned the wheat.

Mr. YOUNG: What about the farmer's hired man?

Mr. ROSS: I do not think the hon. member is at all backward about introducing legislation and looking after it. If he will attend to that, I am attending to this.

Mr. MERCIER (St. Henri): Do I understand that these mariners are navigating at their own risk?

Mr. ROSS: No, but after November, the insurance rates on boats are very greatly increased. I may be asked why I do not bring in a motion requiring the owners of steamboats to provide this compensation. I have no power to do this with regard to owners of steamboats. The steamboat is insured; the grain is insured; everything is insured except the human life involved in the transportation. We have no power to go after the steamboat companies unless the government can take this action, and that is why I am bringing the matter to the attention of the federal government.

Mr. BROWN: Under the practice that prevails can the seamen take out insurance themselves?

Mr. ROSS: The captains, mates and so forth do, but the deckhands do not.

Mr. ALFRED SPEAKMAN (Red Deer): Although representing a constituency which, since it is far from the ports, contains no considerable number of mariners, I am sympathetically interested in this motion. I do represent a constituency, however, which has to do largely with grain growing and grain shipping, and to us every day of navigation at the end of the season is a matter of deep concern. It is important to us, and I think to the country, that the shipment of grain should be carried on until the very last possible moment, and we realize quite well that during the last days of navigation before the season closes there must of necessity be much danger to the men engaged in that work. Without going into the matter at length, I wish to say merely this: with regard to the constitutional aspect I am not certain where the onus of responsibility should lie. I am not sure just how this should be done, but in the national interest, in the interest not only of those who carry the grain, but of those who are anxious to see that grain carried until as late in the year as possible, I am convinced that this matter should be given most sympathetic attention. Certainly we should consider whether it is possible for parliament to see to it that those who imperil their lives in a national service of this kind should at least be secured so far as they can be, by some form of insurance. If it cannot be done privately; if it is not the duty of the province, then I for one, should be glad to see the federal government and parliament take the matter into consideration, and if possible accede to some measure such as that suggested in the resolution.

Mr. J. L. BROWN (Lisgar): I do not feel at all competent to discuss this matter, but

I should like to say that I am certainly in sympathy with the resolution of the hon. member for Kingston City (Mr. Ross).

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I think we ought to be very grateful to the hon. member for Kingston for having introduced this motion. The problem involved is one that has been of great concern, not merely to the men engaged in the lake trade but to those also on the Atlantic and the Pacific. There does not seem to be any clear understanding as to how far the provincial law applies. I have not gone into the matter from a strictly legal standpoint, but I know both the seamen themselves and the masters are very much in doubt as to how far workmen can claim compensation for accidents that may happen. Further than that, sometimes a boat may sail from Montreal and arrive at Vancouver. It is not very clear whether the Quebec authorities are responsible or not. Then again, there is the question of where the boat is registered and what is the home port. These are complicated matters, and some authority ought to decide as to just where the responsibility lies, thus enabling the seamen to obtain compensation.

May I call the attention of the house to the fact that in the bill introduced by the hon. member for Vancouver South (Mr. MacInnis) providing for certain amendments to the Canada Shipping Act, there is a clause dealing with this matter and an attempt to secure action. The clause reads:

> Every member of the crew of all such ships shall be entitled to the benefits of and shall be subject to the provisions of the workmen's compensation act in effect in the province of Canada in which the ship is registered.

Whether or not that is the best way of reaching the result aimed at, I do not know. Whether or not that clause is intra vires, I am not quite certain, but something should be done, and I hope the suggestion of the mover will be carried out and that before long we may have definite action in regard to the matter.

Mr. A. W. NEILL (Comox-Alberni): I am not very much impressed with some of the features of this resolution. In the first place, the hon. member confines it to the great lakes. Why confine it to the great lakes? If the hon. gentleman wishes to safeguard the lives of our mariners, why not, as the hon. member for Winnipeg North Centre (Mr. Woodsworth) suggested, adopt the proposal of the hon. member for Vancouver South (Mr. MacInnis) and make it applicable to all our sailors? Next the hon. member recites that navigation in the winter months takes a great toll from the lives of our mariners, and what is his remedy? To pay their widows money. Would it not be better to endeavour to save the lives of the mariners? That can readily be done, as was suggested to this house some years ago, by the government fixing a date on which navigation on the great lakes would close in the fall. Would it not be better to prevent this heavy toll of life than to pay the widows of those who lose their lives? Human greed will always take a risk, with somebody else's life, and have boats laden with grain go out on the great lakes after it has ceased to be safe for them to do so owing to the weather, the make of the boat perhaps, and the way she is loaded. I would suggest that it would be more to the point if we safeguarded not the money point of view, but the lives of our mariners by giving power to this government to proclaim, after due investigation a date in the fall on which navigation must close. By such a step this great toll of lives would be, at least to some considerable extent, reduced.

Mr. E. J. YOUNG (Weyburn): This is a humanitarian measure, I will admit, but we cannot make laws merely out of pure sympathy for men who might be endangered. If we are going to insure the life of every man who is engaged in a useful and hazardous occupation, I would like to know where we are going to stop. If we are going to do that, a very good case could be made out for fifty per cent of the citizens of this country who are engaged in active work. It seems to me that we are on solid ground when we say that every industry should carry its own risk. I believe in insurance for these men, but let the industry itself carry it. If you are going to unload everything on to the federal government, who in the end will have to pay for it all? The primary producer, the man you cannot and never do anything for. I am opposed to the resolution.

Right Hon. R. B. BENNETT (Prime Minister): This matter touches the question of insurance, and I suppose it is expected that the Department of Finance will at least say something about it. I for once—I almost fancy I may be wrong—find myself at least in partial agreement with the hon. member for Weyburn (Mr. Young) when he says that you cannot unload all the responsibility upon the federal government. The question of contract is a matter of property and civil rights and belongs to the province. The question of shipping contracts is governed by the Can-

ada Shipping Act, which in part is a copy of the British Shipping Act. The contracts of sailors are to be found, in the parlance of the statute, in what are called articles; that is, a crew signs articles, or it does not sign, to serve on a ship. If they sign articles, it is then a contract, certain terms of which are fixed by law. It is upon the articles they sign that the sailors rely so far as their rights are concerned, whether on the great lakes or elsewhere. There are, however, special provisions with respect to inland navigation. That contract being governed in part by federal legislation, it would seem to me that the question of compensation must be regulated by this parliament, at least in part, and the application of the compensation acts of the various provinces to those who are subject to the risks and hazards of the sea must be determined by this parliament taking such action as would make those compensation acts applicable and provide for the compensation that is to be paid; in other words, the owners of the ships must make their contributions to the fund out of which compensation is paid by the province to employees of various kinds throughout the Dominion. I cannot think that it is possible to place relatively a few of our population in a position where the hazard which they incur must be insured against by the Dominion. I cannot think that that is any part of the functions of this country at the moment. I cannot think that it was ever intended by anybody familiar with our institutions that this country, as a country, should become responsible for the hazards incident to the risks of those who go down to the sea in ships and do business upon the great waters.

An hon. MEMBER: On inland waters.

Mr. BENNETT: Risks of course are incurred on other waters than inland waters, and the fact that ships have been lost on the great lakes is only a reminder to us that a brand new ship of the White Star line left a great port in England for the United States and was never heard of again. Ships are being lost all the time, even with the wireless. The Vestris was lost not long ago, with the loss of life of many of her passengers and crew. My memory is that there is some provision in Great Britain in their compensation act to take care of those who are articled on ships, and the shipping interests pay into the compensation fund, as the hon. member for Weyburn has suggested they should do in this country; I have not looked into it recently, and I am not speaking therefore with any degree of certainty with respect to it. While every instinct of humanity impels one to desire that the provisions which this motion suggests for insurance should be made, I am sure that the hon. member for Kingston city (Mr. Ross) cannot expect this house to adopt a motion that selects from a large body of our citizenship a few for special consideration, leaving out, for instance, those who are traversing the dangerous waters at times of the Atlantic and Pacific. Anyone who realizes the danger of making shore in foggy weather on the Atlantic or the dangers of navigation at certain times north of Cape Flattery on the Pacific, will realize that the dangers on the waters of the great lakes are not greater than they are elsewhere. While I am of the opinion that when the Merchant Shipping Act is revised, as it must be here ultimately after the statute of Westminster is passed, it will be competent for this parliament to impose conditions to be incorporated in ships' articles that would necessitate insurance being carried by the owners of the ships on the lives of the seamen on the boats, it would not be right or fair to impose upon the taxpayers of Canada as a whole the burden of the duty, as it is here alleged to be, of providing insurance for every mariner on Canadian boats from November first to the end of navigation. I trust the hon. member will not force the motion to a division for to do so would be to ask us to assume as a duty a responsibility which in my judgment cannot properly be placed on the federal authority, although the federal authority in conjunction with the provincial authorities may be able to work out a system by which the contributions by those concerned will be such as will enable compensation to be paid to survivors on the same terms as though the seamen came under the compensation acts applying to industry generally; in other words, that shipping may be treated as a branch of industry for compensation purposes. I do not think I can usefully add more than that to the discussion.

Mr. ROSS: I think the Prime Minister (Mr. Bennett) has struck the nail on the head—

Mr. HEPBURN: He has struck you on the head.

Mr. ROSS: I am glad to see the leader of the provincial Liberal party in the house, and I hope that he will carry this proposal a step further along the lines suggested by the Prime Minister. I am quite satisfied that, as the Prime Minister has said, this is a matter concerning both the provincial and federal authorities. Now that we have that pronouncement I think it will help in the settlement of

this question. Like the Prime Minister, I, too, agree with the member for Weyburn (Mr. Young)—God forgive me.

Mr. YOUNG: I will.

Mr. ROSS: The first step towards bringing about what we are striving for is to set a date for the closing of navigation. But what Prime Minister will dare do that in the face of this great question of wheat transportation? None will. This question has been before us for years, and no Prime Minister yet has been prepared to advise such a step. As the Prime Minister has said, certain shipping interests do voluntarily set a date when in the interests of their seamen they lay up their ships.

Mr. BENNETT: And they set that date when the season opens.

Mr. ROSS: Yes. But because they do so other shipping interests plead it as an excuse for continuing their ships in commission, stating they must do so to meet a national necessity.

An hon. MEMBER: It is a matter of pure greed.

Mr. ROSS: Yes, but my hon. friend's opinion will not settle the matter. We feel that these shipping companies should contribute to an insurance fund, but as long as the law remains in its present form we may be certain that the matter of residence and every other possible objection will be raised by the shipping companies.

Mr. POULIOT: May I ask my hon. friend a question?

Mr. ROSS: I will not promise to answer it.

Mr. POULIOT: I may tell him I am in sympathy with his resolution. But would it not be possible for him to take steps to amend the criminal code and so achieve the purpose that he has in view?

Mr. ROSS: Mr. Speaker, I am accepting the word of the Prime Minister that this matter really can be settled by an amendment of the shipping act. We ask that that amendment shall be made as soon as the other question that he referred to has been settled. I am glad to accept the advice of the Prime Minister, for I regard what he has said this afternoon as a distinct advance towards realizing the object of this resolution.

Motion withdrawn.

A CANADIAN FLAG

PROPOSAL FOR ADOPTION OF FLAG SYMBOLIC OF CANADA AND HER PARTNERSHIP IN BRITISH EMPIRE

Mr. CAMERON R. McINTOSH (North Battleford) moved:

That, in the opinion of this house, a special committee be appointed for the purpose of considering the advisability of adopting a Canadian flag, representing Canada as a whole, and in which the British flag shall occupy the position of honour, thus symbolizing the Dominion as an equality partner in the commonwealth of British nations.

He said: Mr. Speaker, at the outset may I thank the right hon. Prime Minister (Mr. Bennett) for the statement he made last Friday to the effect that one more day would be allowed for private members to discuss certain resolutions. I understand the house is adjourning to-night at six o'clock, and in view of the Prime Minister's statement, perhaps at the close of my remarks he will advise the house that the three hours we are going to lose to-night will be made good some other day, in order that hon. members may have an opportunity to express their views on what I think is as important a resolution as any that has ever been brought before this house.

Now, I trust that this resolution will appeal to all hon. members. I should like to see those who sit behind the right hon. Prime Minister give expression to their views. I would not be afraid of doing so if I were one of his supporters. Being afraid gets you nowhere—nowhere in life or in any other place. I should also like to see the members of the Labour party, the Farmers' party and the Liberal party, making up His Majesty's loyal opposition, express their opinions on this subject. I hope the discussion will be on a high plane, that it will be reasoned and logical throughout; not parochial nor provincial, but national and Imperial. I hope that the opinions expressed will not be those of impatience but of patience; not illogical but logical; not impractical but practical; not superheated or jingoistic and noisy, but calm, courageous and dignified. If—

Mr. MERCIER (St. Henri): May I call the hon. gentleman's attention to resolution No. 30, standing in the name of the hon. member for Montmagny (Mr. LaVergne), that the official name of Canada be changed from "Dominion of Canada" to that of "Kingdom of Canada." I am afraid that if we pass that resolution we shall be obliged to change the Canadian flag again.

Mr. McINTOSH: Not necessarily. Now, if our deliberations are loyal and patriotic they will harmonize with the splendid history of the empire, and we, Canadians and Britishers, always venerate our great national, political, imperial and religious heritage. Realizing the great contributions to civilization that have been made by the British Empire, we shall by sane and sensible advocacy safeguard, unify, extend and symbolize the great ideas for which the British Empire stands—here in Canada our national home.

The people of the Dominion from one ocean to the other are watching this debate. All loyal and patriotic Canadians will be anxious to learn the reception of this resolution at the hands of hon. members and the Prime Minister. This being Victoria or Empire day, it is perhaps the most fitting day for a discussion of such a resolution; the discussion is also appropriate in view of the fact that this is the first regular session of the seventeenth parliament of Canada. On this remembrance day, when we should remember the undying splendours and imperishable legacies handed down to us from the Victorian era; when we should remember our responsibilities and our duties to Canada and the empire, and when we should rededicate and reconsecrate ourselves to that continuous labour for freedom, without which freedom is not won, it seems to me the time for our discussion is rather short, but that with a further discussion permitted later on we may be able to go into the subject more fully.

Now, on this day of empire, there are certain calls that come to us, calls of love for the God of nations, honour to the king, obedience to the law, advancement of the highest interests of the empire in peace and war, the cherishing of patriotism, the paying of scrupulous regard to the rights of other nations, the mastery of the principles of citizenship, the following of duty, the acquiring of knowledge, the practice of discipline, the work for others and the considering of the poor and afflicted. These are the commands that come to us on this empire day, the watchwords of which are responsibility, duty, sympathy and self-sacrifice.

With regard to the resolution, Mr. Speaker, which stands in my name on the order paper, might I say that it was inspired by my own national conception of Canada, and that it was not inspired by any province making up Canada. It did not come from Prince Edward Island or New Brunswick or Quebec or Ontario or Saskatchewan, or any other province making up this Dominion.

An hon. MEMBER: What about Winnipeg?

Mr. McINTOSH: Or from Winnipeg either. It will be seen that the resolution is made up of five major parts. First, the opinion of the house is required on this important resolution; second, a special committee should be appointed to deal with the question, just as the government deals with other resolutions, not only with regard to government measures but also coming from private members; third, the advisability of adopting a Canadian flag; fourth, choosing a suitable symbol to stand for Canada in the flag, and fifth, the placing of the union jack in the union or position of honour to indicate our allegiance to the British crown. I believe, Mr. Speaker, that eighty or ninety per cent of the people of Canada are favourable to this action, and the opposition that comes to this progressive move on the part of the Dominion comes only from a few noisy individuals and a few noisy organizations. The same noisy individuals and organizations will fight us if we decide to amend our constitution; they will fight us as they have fought us in days gone by in the evolution of government, and we may expect their opposition in days to come in any progressive step in the direction of adopting a national flag for Canada, but I do not think we need pay very much attention to opposition of that kind. I believe this flag should represent Canada as a political unit, made up of nine provinces reaching from sea to sea, with the union jack occupying the position of honour —that is the vital position; that is the position of union in that flag, thereby showing the cooperation of Canada with the motherland in the building up of our empire and in making it more permanent than ever.

This being the case, Mr. Speaker, it might be well to say a few words on the Dominion of Canada, with which this resolution is concerned in the way of a national flag. Canada has been defined as consisting of three thousand miles of territory made up of one thousand miles of inland lake and river and sea, plus one thousand miles of boundless prairie, plus one thousand miles of mountain. That is the land from the border northward which is being extended day by day; that is the land for which we want a Canadian flag. Again, Canada has been defined as a mighty potential giant, the head of which rests upon the broad Pacific, whose arms make up the Rockies and the Selkirks, whose body is the great plains of the west and whose limbs are the two great water

systems, the St. Lawrence and Hudson bay. Our duty, as Canadians, is to develop and make out of that giant on the northern shoulder of this continent one of the great nations of the world. And we will do it.

What do the poets say about this great Dominion, this young giant, this Canada, our native land? Poets have a habit of saying a thing and saying it well. Here is what Charles G. D. Roberts, one of our leading poets in the maritimes, says:

O Child of Nations, giant-limbed,
Who stand'st among the nations now
Unheeded, unadored, unhymned,
With unanointed brow,—

The Saxon force, the Celtic fire,
These are thy manhood's heritage!
Why rest with babes and slaves? Seek higher
The place of race and age.

O Falterer, let thy past convince
Thy future,—all the growth, the gain,
The fame since Cartier knew thee, since
Thy shores beheld Champlain!

Montcalm and Wolfe! Wolfe and Montcalm!
Quebec, thy storied citadel
Attests in burning song and psalm
How here thy heroes fell!

Then in rising splendour the last verse:

But thou, my country, dream not thou!
Wake, and behold how night is done,—
How on thy breast, and o'er thy brow,
Bursts the uprising sun!

The uprising sun of freedom and of nationhood. Surely in this Canada of the present day we ought to have a flag, of a national and a Canadian nature, that will symbolize our Dominion throughout the world. Surely! Then what does Pauline Johnson say about Canada? Here are a few lines by Pauline Johnson:

CANADA
(Acrostic)

C rown of her, young Vancouver; crest of her, old Quebec;
A tlantic and far Pacific sweeping her, keel to deck.
N orth of her, ice and arctics; southward a rival's stealth;
A loft, her Empire's pennant; below, her nation's wealth,
D aughter of men and markets, bearing within her hold,
A ppraised at highest value, cargoes of grain and gold.

Then again Pauline Johnson shows the association of Canada with the empire, in her poem entitled "Canadian Born":

We first saw light in Canada, the land beloved of God;
We are the pulse of Canada, its marrow and its blood:
And we, the men of Canada, can face the world and brag
That we were born in Canada beneath the British flag.

And lastly Grant Balfour says—and these lines are also beautiful, I think:

Dominion of the North, how vast;
Unequalled in the distant past
By proud imperial Rome.
The sister zones o'er thee unrolled
Two giant belts of white and gold
Fair Canada, my home.

It is for this fair Canada, my home, that I am not afraid to stand up this afternoon and tell the members of this house and the people of Canada that the time has arrived when we should, in association with the other self-governing units of the empire, have a typical national or Canadian flag.

Now, Mr. Speaker, let me come to the imperial conferences of 1926, 1929 and 1930. At the imperial conference of 1926 a certain amount of splendid work, imperially and nationally, was accomplished, and the work of that conference and the conference of 1929 has been practically endorsed by the conference of 1930. This being the case, it might be well for us to consider for a moment just what that means. In the summary of the proceedings of the conference of 1926 we have the following statement:

> There is, however, one most important element in it which, from a strictly constitutional point of view, has now, as regards all vital matters, reached its full development—we refer to the group of self-governing communities composed of Great Britain and the Dominions.
>
> Their position and mutual relation may be readily defined. They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown, and freely associated as members of the British Commonwealth of Nations.

Further on the statement is made:

> And though every Dominion is now, and must always remain, the sole judge of the nature and extent of its cooperation, no common cause will, in our opinion, be thereby imperilled.

In other words, the day has arrived in the history of the empire when there is no longer force or compulsion; and if there is any appearance of compulsion it is only in form and not in fact or reality.

This empire of ours is, of course, the greatest the world has ever seen. It is not a centralized empire; constitutionally it is rather a decentralized one. And since it is decentralized it would, of course, be impossible to have what we might call a federation of the empire because of the differences in characteristics, the varying stages of evolution, the wide spaces geographically dividing one section from another, and our different histories. The pathway to empire greatness, empire solidarity and empire permanency that of self-govern-

ment or autonomy, founded on positive and not on negative ideals, is therefore the pathway to greatness and security.

May I say, Mr. Speaker, that free cooperation and free institutions are the life blood of the empire. Free cooperation is the instrument which makes possible the functioning of its different parts, and the high objectives ever before the empire, of peace, prosperity and security, will most assuredly lead us into greater epochs than we have known in the past. Since there is an entire absence of compulsion in empire building, it means that from now on the empire must adjust itself to new conditions, and new conditions must become subordinate to new ideals.

That brings me to the question of the Union Jack, the flag of the United Kingdom—in other words, the red, white and blue, which signify all that is brave, pure and true, and what it symbolizes in the life of the empire. The Union Jack is the flag of the United Kingdom. It is made up of three crosses, St. George's, St. Andrew's and St. Patrick's, eight blue triangles plus white borders, all of which is fraught with sacred meaning to the citizens of the empire.

Now, as regards these patron saints, whose lives typify great sacrifice, it might be well to realize just what the flag has stood for in the past. The flag in history has stood for the following:

The flag of the great union of Scotland and England up to 1603, and since 1707 and 1801—the Union Jack, floated on high when the victorious Marlborough went from victory to victory in France and Spain in the war of the Spanish succession.

It was the settled flag of the union when Bonnie Prince Charlie struck for Stuart power once more in Scotland.

It was the flag of Scotland and England when Walpole was named for the first time Prime Minister of Britain.

It waved in the breeze during the Seven Years' war in India, Europe and America; at Plassey, Rossbach, and over Wolfe and his men at the plains of Abraham; battles in which the supremacy of Britain was settled on three continents for good.

It stood for greater freedom of thought and expression when Wilkes dared the authorities in the last half of the eighteenth century to stem his criticism of the government of the day without which liberty of opinion would not have been able all along the line for generations to make democracy as stabilized as it is at present.

It blew in the breeze at Trafalgar, Corunna, Waterloo and Khartum, over Nelson, Sir John Moore and Wellington and Gordon.

It was the flag of the United Empire Loyalists and the other bands of courageous pioneers in the wilds of the Canadas and the maritimes when the Canada of the future was taking form on the northern shoulder of the new world.

It was the symbol of the French Canadians of Quebec when they fought with superb courage for local liberty in 1812 against the United States.

It was thrown to the winds of France when the French Canadians led the van at Courcelette for world freedom.

It waves over India, after centuries of bloodshed and oppression; over the sands of the Soudan, the historic monuments of Egypt, over the cedars of Mount Lebanon, over the hilltops of Palestine, the plains of Mesopotamia and the as yet untamed regions of the northern world and Antarctic wastes.

It was the emblem of freedom that stemmed the advance of tyranny in the world war, and still sweeps the seas in the interests of world peace, world development and world progress and cooperation.

I have described what the flag has stood for in history. Let me now say what it stands for among the nations. It further stands for:

International honour.

National liberty.

Individual freedom.

Empire fellowship.

Maintenance of law and order under democratic institutions.

Constitution in which every man and woman has a voice, in accordance with franchise acts that will in time, we hope, be modernized to the last limit of representative and responsible government requirements.

A system of monarchy providing a vital link of peace, progress, cooperation and unity among the nations making up the British commonwealth of nations circling the globe.

The traditions and history of the British race in peace, commerce, art, science, literature, law, education, industry and war.

Symbol of the common sentiment animating the British people throughout the centuries.

Rallying point of the common force during the emergency periods in our racial development and without which defeat would have rendered impossible a destiny potentially equal to, if not the superior of, any other world power.

The symbol of law, order and discipline in all military and naval movements, making possible the extension of our empire frontiers from century to century.

Past resolves, past deeds and past heroes, apart from which the finest enthusiasm on behalf of home, family pride, family honour, personal devotion, patriotism or religious zeal; all of which, in addition to leadership, numerical forces and discipline have been needed in the past to wrench victory from many a haughty and gallant foe.

Distinguishing mark of armies, fleets, departments of government, parties, rulers, officers, families, clans, dominions, kingdoms, empires, commonwealths and nations.

National growth, power, influence, unity and advancement in the cause of liberty.

National pride, glory, honour and protecting power from wrong, within and without our empire and nation's boundaries.

The unity of ideals and righteousness imperially and nationally which shall unite the world in freedom and justice.

And what about a Canadian flag? A Canadian flag would stand for all these things, since Canada is a self-governing unit in the British commonwealth of nations, and for many more—the developments in Canada since 1801.

The vicissitudes and upheavals nationally from which we have emerged as a portion of the British Empire prior to and subsequent to confederation.

The stirring history of centuries when early Canada was under the influence and sovereignty of imperial France, and when in navigation, exploration, discovery and colonization the foundation work of the Canada to be was grappled with in a spirit of unparalleled courage and devotion.

Institution of representative and responsible government as factors in the development of the country internally, imperially and internationally.

Canada, the Canadian people, their aspirations and visions of continental and world greatness.

The crown and the laws that bind us by golden chains in allegiance to the throne of Britain.

That spirit of sacrifice and service which in the late great war brought so many of our men to national consciousness and manhood, and caused so many of them to express a sincere desire for a nationally distinctive emblem.

The further sacrifices comparable with anything in the way of sacrifice in the history of pioneers; sacrifices of the intrepid French missionaries and martyrs of early Canadian history, British missionaries of the Cross, and the mutual sacrifice, courage, cooperation, service, forbearance, devotion and Canadian and British comradeship that must characterize us as a people if we are to aspire to and attain the great objectives placed within our reach by a thoughtful and beneficial Providence.

All these things would a Canadian flag stand for—a Canada up to date and yet to be.

And may I point out now, Mr. Speaker, that New Zealand, Australia, South Africa and Newfoundland have flags of their own, and India will have a flag of its own under its new constitution. Ireland has a flag of its own and so, I believe, have all the self-governing dominions of the empire. The question then arises, what about Canada?

Mr. LAVERGNE: We had a flag of our own in 1904.

Mr. McINTOSH: I am coming to that. What about Canada? We have now a king closer than ever constitutionally, therefore dearer than ever. We have a royal standard which suggests the United Kingdom. We have an empire flag; we have a British white ensign; a British blue ensign and a British red ensign. We have a new governor general's flag, not made up of the union jack as it was a few years ago, but made up in an entirely different way because the governor general now represents His Majesty and not the British government. How terrible our super-loyalists must feel about this. We have a merchant marine flag which is our flag on the seas, since 1892, simply a red ensign with the arms of Canada in the fly. We have a government service flag, the British blue ensign with the coat of arms of Canada in the fly. On the government buildings outside of Canada such as in Washington, Paris, London and Tokyo, we fly the red ensign as our Canadian flag. We have therefore a Canadian flag in London, but we have not a Canadian flag in Canada. We have a flag which we fly on the Canadian government buildings in Paris and the other world capitals, but we cannot fly that same flag on our own parliament buildings in the Dominion of Canada. That is the situation exactly.

Mr. LAVERGNE: We used to.

Mr. BENNETT: The hon. gentleman must be mistaken in what he is saying.

Mr. McINTOSH: As I go along perhaps the right hon. gentleman will see that I am not so much mistaken. We have not a Canadian flag to be flown ashore except the union jack, which in 1912 was made the official flag of Canada. Before 1904 we had the red ensign with the coat of arms of Canada in the fly, which flag was our flag from

the days of Sir John A. Macdonald down to 1904. That flag was flown across this country from ocean to ocean, it was the national flag from the Atlantic to the Pacific. However, it was hauled down in 1904. Why? The circumstances surrounding the taking down of that flag have never been made known to the Canadian people, but it was taken down and from 1904 to the present day the union jack has been flown in its place. In 1912 the union jack was made the official flag of Canada by the Secretary of State for the Colonies and from 1912 to 1931 as from 1904 to 1912 the union jack has been flown in Canada as our Canadian flag—something distinctly it can never be. The red ensign, differenced by the Canadian coat of arms, is flying outside of Canada, but it is not the official flag in Canada, it was hauled down and has never been put up.

Mr. LAVERGNE: It was hauled down by the Liberal party.

Mr. McINTOSH: I am not concerned so much with the party that took it down as with the party that will put it up. The time has come when some distinctive flag should be sanctioned by the parliament of Canada. My resolution does not suggest tampering with the union jack, it neither adds to nor subtracts from it, neither divides nor multiplies it, neither squares nor cubes it; it has nothing whatever to do with it. Let the union jack be supreme and let it fly in this country from ocean to ocean but let it be used as an empire flag. I submit that that cannot be considered as a national or distinctive flag for Canada. If it is to be considered as such, why do we use the red ensign in Tokyo and on the government buildings in London? We cannot use the union jack because it would not be distinctive enough. I would like to see adopted a national flag which would be sufficiently distinctive to be used at home and abroad, a flag that would be an honour to us and which would increase not only the self respect of Canadians at home, but also the self respect of Canadians abroad.

The missing link in our flag chain is the fact that outside of Canada we have what we call a flag—I would not say it is as distinctive as it should be—but inside of Canada we have not a distinctive Canadian flag; our official flag is the union jack. It would appear as though the Canadian people have not as yet awakened to the flag problem because when they do I am satisfied its solution will be almost immediate.

I do not intend to-day to pin myself down to saying what the design should be, my argument is for a distinctive or a national Canadian flag. That flag should fly all over this country with the union jack, and no loyalist, royalist or patriot in Canada has any business mixing the union jack with the purposes of this resolution. This resolution calls for a distinctive flag, and if I am not mistaken the time is not far distant when we will have such a flag. If one government does not give us this flag, another one will.

Suggested designs of flags received may be divided into six classes. First, we have the flag with the union jack as a base and a maple leaf or some other Canadian emblem superimposed thereon. We should not superimpose anything on the union jack, we should not put on it a maple leaf, a beaver, a wild goose or anything else; we should leave it alone. Hands off the union jack, as our loyalist friends say. Second, we have another set of flags consisting of the blue ensign with the Canadian coat of arms in the fly. Third we have the red ensign with the Canadian coat of arms on the fly. Fourth, we have the white ensign with the same coat of arms. Then fifth, we have other flags containing the union jack in part, and then sixth, another group with no union jack at all. I say however that any proposed distinctive flag should contain the union jack and in it I believe the union jack should be in a position of honour.

This flag question should be taken out of politics altogether. A special committee of this house should be appointed to consider the question, and hear representations made by the leading citizens and organizations in Canada. By doing that there is left in the hands of parliament the control of this important symbol, and I am satisfied that the problem could be solved satisfactorily to ninety-nine per cent of the people of Canada. All it requires is a little attention, a little courage and the utmost cooperation. When this is done the College of Heralds in London is ever ready, when a design is submitted, to take that design and evolve from it a suitable flag. All we have to do is to tell the College of Heralds what we want and we will soon have a flag for this Dominion.

There are three alternatives for the future of Canada. One is absorption by the United States, but I give an unqualified no to that alternative. There should not—and never will—be any absorption of this country by the great republic to the south. Second, there is the pathway of independence, but my answer to that also is an unqualified no. We are now independent, we are free and we are laying the foundations—under the union jack and within the empire of a great

and significant future. What is the last alternative? It is an autonomous community within the British Empire owing allegiance thereto and freely associating with the other self-governing communities thereof. By co-operating with those communities, by building up a great empire, by giving Canadians an opportunity to develop and to be free, and by giving them a national symbol that will indicate their aspirations, objectives and beliefs nationally and imperially, I am sure a brighter day will dawn for Canada.

In conclusion, might I say that if I had time this afternoon I could read resolution after resolution passed at meetings held from ocean to ocean. The weekly newspapers of Canada in national convention, assembled in 1929 in London, Ontario, to the number of four or five hundred, passed this resolution, unanimously endorsing a national flag:

> Whereas we believe it is desirable to adopt a distinctive Dominion flag for Canada, the design of which should include the Union Jack, resolved that we appeal to the parliament of Canada to treat this matter on a non-party basis, and we further appeal to all Canadians, irrespective of race, creed or origin, to cooperate towards the solution of this vital national question.

Even among our Conservative friends on the opposite side, the question of a national flag has been brought up. Some years ago at their national convention in Winnipeg a resolution was submitted, although it did not come to anything—it did not get into the light of day. The conviction of those who framed that resolution, if I remember, from the constituency of South Winnipeg, was that the time had come for the Conservative party to take action on this very important matter. But it did not.

A year or two ago the Canadian Legion in convention assembled at Regina passed the following resolution:

> Whereas the question of the adoption of a distinctively Canadian flag is at present agitating public opinion throughout the Dominion of Canada.
>
> And whereas it is believed that the general feeling of the members of our organization is that the Union Jack, under which we fought and under which our comrades died, should be retained as the flag of the Dominion.
>
> Yet, nevertheless, the pressure of public opinion may be such that the adoption of an individual flag will become a question which has to be decided.

It will become more and more every day a question which has to be decided. The resolution continues:

> Therefore, be it resolved that this convention instruct the Dominion council that in the event of any concrete proposition for the adoption of a distinctively Canadian flag being presented to parliament, that parliament be advised that no device will be acceptable to the ex-service men of Canada in which the Union Jack is not the predominant figure, and if the question is to be decided that we strongly recommend the retention of the Union Jack, with some device such as the maple leaf or the Canadian coat of arms superimposed thereon.

We desire to retain the union jack as explained. We should not however interfere with the union jack. We should however have the union jack in the upper left hand corner of any flag in the position of honour—absolutely. The problem boils down simply to this: that we must work out a suitable symbol which will be emblematic of all the provinces of Canada, Canada as a whole. And in this flag—at no distant date—the union jack will symbolize our association with the empire. Then we can evolve a flag with a suitable symbol and background that will indicate to the world and the nations making up the empire that Canada is a national unit. Such a flag will be a powerful factor in developing national sentiment, in the growth of national opinion from ocean to ocean, in the building up of national ideas, in inculcating in the minds of our new nationals a love for the Dominion and the empire. And if it succeeds in accomplishing any of these things, we as Canadians ought forever to feel gratified.

Mr. ARMAND LAVERGNE (Montmagny): I am glad to rise in support of the motion moved by the hon. member for North Battleford (Mr. McIntosh). I agree with pretty much everything he said. I was, however, rather surprised to hear it come from that side of the house. When I was in the house many years ago as a young member with the hon. member for Quebec East, the very flag that my hon. friend speaks of, which had been floating at the time, was pulled down by the party then in office.

Mr. McINTOSH: I do not care who pulled it down; I want it put up.

Mr. LAVERGNE: So do I, but I am trying to make clear the history which my hon. friend says is very mysterious. It was not very mysterious. One day we walked up to the house and we discovered that the red ensign with the Canadian coat of arms had disappeared and had been replaced by the union jack. I think it was the hon. member for Labelle (Mr. Bourassa) who protested and the then Minister of Public Works said that he had given orders to have this done. Probably it was incompatible with the nationalistic doctrines preached at that time by my hon. friends from Quebec on the other side, and since then the flag was replaced which had

been floating since the days of Sir John A. Macdonald. That is probably the mystery of which my hon. friend has been speaking. In any case, the flag such as is mentioned in the resolution floated doubtless on all the public buildings of Canada from confederation until 1904 under the Laurier government of the time.

I agree with what the hon. member has said in that I think Canada should have a national ensign. I do not, however, see that it needs very much courage to say so. I do not think it is treading on dangerous ground to assert, and so far as I am concerned, I am not afraid to assert that I am a Canadian first; I believe in Canada first, and I believe, to quote the words of, I think, Sir Wilfrid Laurier: "If the interests of my native land come into conflict with those of the motherland, I would turn to my native land." But now that we have won our liberty and that under the British flag we have the most practical independence and equality as a sister nation in the commonwealth of nations, I do not see why anybody should be afraid to assert that he is a Canadian. As my hon. friend has rightly said, Australia has her flag; South Africa is going to have her flag. The question is now before a committee.

Mr. McINTOSH: She settled that question on November 11th, 1927, and May 31st, 1928.

Mr. LAPOINTE: She has her flag.

Mr. LAVERGNE: Ireland has her flag and New Zealand has hers. Unless in our country there is lack of pride somewhere, I fail to see why we should not assert all over the empire, all through the world, that we are Canadians and proud of our Dominion of Canada.

The proposition put forward by my hon. friend is most wise. The union jack, the flag of the empire, the flag of our king, has a part in his project and he wants a symbol to link together all the different provinces. We have that in the escutcheon of Canada as it exists to-day, because all the great races of this country are represented in our coat of arms which, with the exception of the maple leaf, was practically the flag of the English kings until the Georges. I think the fleur-de-lis was in the coat of arms of the English kings until then; it was only under the Georges that it disappeared to be replaced by the repetition of the British lion: lions passant et regardant. I think this proposition should be considered favourably by the house

This is not a criticism, but my hon. friend may have injured his argument somewhat because he has given such a eulogy, and a well deserved one, of the union jack that I am afraid some of our friends on this side of the house may be inclined to retain it. I think in this project the union jack should remain. There may be some timid people or some very loyal organizations who may protest against a change, but those organizations not very long ago, if we go back in our history, were quite willing to put away our flag because the Prince of Wales, when he first came to Canada, did not recognize it. When we are loyal to the empire, we should first be loyal to Canada. The best way to be a good British subject in the empire is to be in Canada a good Canadian, or in Australia to be a good Australian.

It is strange that questions of this kind are not discussed in any of the dominions of the empire except Canada. It seems to me that here the moment we discuss anything which is purely Canadian we are open to the suspicion of disloyalty. Of course, loyalty has been exploited in this country to a very great extent, and I do not put the blame wholly on one side of the house or on only one party. I see my friend from Quebec East (Mr. Lapointe) smiling at me. I remember, and I am sure that he does, when the Liberal party was making a tremendously loyal campaign in the province of Quebec in the good old days of 1911, when the Tories of Ontario were quite willing to be allied with the rebels, the so-called nationalists of that day.

Mr. LAPOINTE: Why should my impartial friend, the Deputy Speaker, mix up politics with a question of this kind?

Mr. LAVERGNE: I am not mixing up politics; I am just giving history.

Mr. ST-PERE: Was it at that time that somebody was going to shoot holes through the British flag?

Mr. LAVERGNE: I am not afraid to answer that. Yes, it was, and after that he became a member of the cabinet. I do not see why he should deny having said that. He did not invent that phrase; it was first used by Sir Adolphe Chapleau, and it was true. The right hon. leader of the opposition, I am sure, is not going to deny the good old days of Papineau and William Lyon Mackenzie. I am not, as a Canadian. The men who shot holes through the British flag in those dark days won for us the liberties of which we are so proud to-day, which liberties, now that we have them, have made us loyal subjects. I do not see why my hon. friends opposite should make any reproaches.

Mr. POULIOT: We are not making reproaches, but we are very much surprised that afterwards that gentleman swallowed his words.

Mr. LAVERGNE: I am not making any reproach, and let my hon. friends opposite have the same courage and approve those words. Here we are in the days of radio, and we cannot say one thing in one province and deny it in another. Those days are past, and I am asking my hon. friends opposite to have the courage of the hon. member for North Battleford, (Mr. McIntosh), for instance, and if they approve of a Canadian flag, let them get up and say so.

Mr. ST-PERE: Of course we do.

Mr. LAVERGNE: I am glad to hear it, but I notice that when my hon. friend from North Battleford sat down, not many on that side of the house got up to support him.

Mr. BRADETTE: There was no cheering on the other side of the house.

On motion of Mr. Bennett the house adjourned at 6 p.m.

Tuesday, May 26, 1931

The house met at three o'clock.

COMMITTEE ON AGRICULTURE

REFERENCE OF MATTERS CONTAINED IN PARLIAMENTARY RETURNS

Hon. H. H. STEVENS (Minister of Trade and Commerce): I have not given notice of the motion I propose to move, Mr. Speaker, but probably there will be no objection whatever to its passing to-day. If there is such objection I shall let it stand as notice of motion, but the reason I ask that it pass to-day is that we have brought a gentleman to Ottawa from Winnipeg to appear before the agriculture committee. It would be a decided convenience to him if this motion carried to-day. Therefore I move, seconded by the Minister of Railways and Canals (Mr. Manion):

That matters referred to in returns Nos. 147 and 147a be referred to the agricultural committee with instructions to examine such records as may by the committee be deemed necessary, and to hear such witnesses as it may desire and to call for such papers in connection therewith, and to report to the house.

This refers to the returns in connection with what is known as the Robert Whiteside correspondence, and is in accordance with an understanding we had the other day to refer the matter to the committee on agriculture.

Mr. YOUNG: Will that include also the investigation of the disposal of the balance of the 1916 crop, mentioned by the hon. member for South Winnipeg (Mr. Rogers)?

Mr. STEVENS: It will deal with all this correspondence.

Mr. VALLANCE: I should like to ask the minister if this will also include the file that was asked for by the hon. member for Humboldt (Mr. Totzke), from which the minister quoted rather copiously. I hold in my hand the two returns mentioned. I suppose the evidence submitted by the hon. member for South Winnipeg and also the file from which the minister quoted will be included in this reference?

Mr. STEVENS: The committee is empowered to call for any records or files it may deem necessary to have, and all the files at my disposal are at the disposal of the committee, to the extent of about a ton.

Motion agreed to.

FINGER PRINTING OF CANADIANS

On the orders of the day:

Mr. SAMUEL FACTOR (Toronto West Centre): Before the orders of the day are called, may I be permitted to draw to the attention of the government recent legislation passed in the state of Michigan, which in effect provides that Canadians and others residing in the United States, who are not American citizens, must be finger printed and registered. I should like to ask the government if any representations have been made in respect of that measure?

Hon. HUGH GUTHRIE (Minister of Justice): I would ask the hon. member to allow his question to stand until to-morrow. The Prime Minister will not be here to-day. I am not aware of representations having been made, but the Prime Minister will answer the question more fully to-morrow.

RAILWAY COMMISSION VACANCIES

On the orders of the day:

Hon. FERNAND RINFRET (St. James): Some time ago I asked the Minister of Railways when the government would fill the vacancies on the Board of Railway Commissioners. I now read in the press, that this may be done this week. May I ask the minister if he is in a position to confirm that rumour?

Hon. R. J. MANION (Minister of Railways and Canals): Yes, I will say it might be done this week.

VOCATIONAL EDUCATION

PROPOSED ANNUAL EXPENDITURE OF $750,000 CONDITIONAL UPON AGREEMENTS WITH PROVINCES

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to provide for the promotion of vocational education in Canada, and to appropriate the sum of $750,000 per annum for fifteen years for such purpose, payments to be made conditional upon agreements with the respective provincial governments.

Some hon. MEMBERS: Explain.

Mr. GUTHRIE: This is a motion dealing with what is called vocational education rather than with what has been better known in this house as technical education. I understand that in recent years a distinction has been established between the two terms, and it is now considered among educationists throughout the world that the term technical education has become associated rather with work of a scientific or investigational nature and work of university grade, while vocational education is considered a broader term, including what we formerly referred to as technical education. The new term, vocational education, I understand has been adopted pretty generally in the Department of Labour during recent years, and the publication of that department is now known as a pamphlet on vocational education. I see by newspaper reports also that in some of the provinces of Canada officers of provincial governments who formerly were known as technical education officers now are known as vocational education officers. Therefore the term "vocational" education has been adopted in this resolution instead of the term formerly used, which was "technical" education. Otherwise, the motion in its general scope proposes an annual expenditure of $750,000 for a period of fifteen years next ensuing, to aid in the great work of vocational education and vocational training throughout the Dominion of Canada.

The house will remember that as far back as the year 1919 an act was passed by this parliament providing for an expenditure of $10,000,000 at the rate of $1,000,000 per annum to assist in the work of technical education throughout Canada, in conjunction with the provincial authorities in every instance. That act ran its course and expired in the year 1929, and at that time there had been expended on technical education in Canada by this government the sum of $7,964,000, or an average annual expenditure of $796,000 instead of the $1,000,000 which was provided by the act of 1919.

In the year 1929, therefore, it was found that there was still a substantial balance on hand of the money which parliament had appropriated to this special purpose. The balance in 1929 amounted to roughly $2,350,000, and it became a question whether the work should be continued and the original amount fully expended, or whether the work should be abandoned in that year. In 1929 this parliament passed a further act, which is chapter 8 of the statutes of 1929, making provision for further expenditure in regard to technical education in order to utilize the unspent balance of the money, and it was then provided that the unspent money might continue to be appropriated and spent among the provinces still entitled to a grant until the year 1934. At this date there is still an unexpended balance, amounting in round numbers to a million and a quarter dollars, which is available for the purpose of technical education. It is now proposed to make a new grant to apply to all the provinces upon equal terms and in proportion to their respective populations. The grant now proposed amounts to $750,000 per annum, and the period during which that grant will be paid is the next fifteen years.

The general purpose of this grant will be very largely the same as that of the grant made under the statute of 1919. There are some slight changes, it is true; these will be developed as the matter proceeds before this house. One or two of them I might mention now. In the grant made in 1919 agriculture was excluded as a matter of technical education. Under the present proposal agriculture will not be excluded, but it will be open to the provincial governments to make such representations as they see fit to the government here in order that the grant, or parts of the grant, may be appropriated to special courses such as those provinces desire to have carried on within their respective territories. Another distinction between the present proposal and the former is that under the former proposal a limitation was placed upon the amount of this fund which might be expended by any province for school buildings, equipment and the like. The limitation in the former act was placed at 25 per cent of the amount granted; that alone could be expended on buildings and equipment. That limitation has been removed under the present proposal, and it will again rest with the provincial authorities, in consultation with the government here, to expend such part of that money as is

deemed essential for the purposes of buildings and equipment. It is realized that in some provinces the work of vocational education has been carried on to a much greater extent than in other provinces. Some of them have only within recent years seriously taken up the question, and in such provinces the provision of buildings and equipment is a more serious matter than it is in some of the older provinces which for years have been engaged in this work and have carried it on most successfully. There are other minor distinctions between the present proposal and the act of 1919 which will be developed as the measure proceeds through the house.

I do not think there will be more than one opinion as to the propriety of granting money for this special purpose. I had the honour a quarter of a century ago of discussing the question in this house and elaborating as fully as I was able to do the case in favour of a federal grant for technical education. I think it is realized on all hands that the technically trained man has become an essential in a country like this, and that technical education is so closely identified with the trade and commerce of the country—a matter which is entirely within the jurisdiction of this parliament—that we can well justify a grant which is going to improve our trade and commerce position or methods. And I think it is realized throughout the trading world today that technically trained men are necessary not only for production purposes in the various branches of production, but that they are just as necessary in regard to the salesmanship of the various goods produced. I remember last autumn speaking to a large manufacturer from Sheffield, a producer of cutlery goods, and he said, "We find that not only do we need highly trained men in the production of our goods, but that we need just as highly trained men in the salesmanship of our goods." So in both these instances Canada will require the same training, and the grant is made for the purpose of encouraging education along that line.

I do not think, Mr. Speaker, that at this stage I can usefully add anything to the remarks which I have now made. I have outlined the broad proposal contained in the resolution, and when the resolution comes to the committee stage I shall be able to give full information as desired.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I rise not to take exception to the object of the resolution, nor indeed have I any exception to take to the remarks of my hon. friend the Minister of Justice (Mr. Guthrie). This parliament has already by its enactments given ample evidence of its belief in technical education, and in the power of the federal government to give assistance to the provinces in furthering the work of technical or vocational education. So that with respect to the object or purpose of the resolution and the powers of this parliament, I should like it to be distinctly understood that I have no exception whatever to take. I do feel, however, that this is a moment when it would seem advisable to consider the soundness of the principle of making parliamentary grants from the federal treasury to the provinces in a manner or to an extent different from that which was contemplated in the financial arrangements made at the time of confederation and the various revisions of those arrangements which have since been made. That is the point to which I wish to speak at this time, because it seems to me to have an immediate bearing upon this resolution, and will also have a bearing upon other resolutions which will be introduced, I presume in the course of the present session, by hon. gentlemen opposite.

Confederation, as the house well knows, was effected as the result of a compromise made more particularly with respect to financial matters. When the original provinces were considering the various resolutions at the Quebec conference it became apparent that different views were entertained as to the rights which the provinces and the Dominion respectively should have in the matter of raising the necessary revenues. The provinces theretofore had had the right of raising revenues by indirect taxation; they had their own customs tariffs. It was obvious that confederation could not be effected if the provinces were to continue to have tariffs of their own. An alternative suggestion was that this central government—the federal government—when it came into existence should raise all revenues and distribute a portion to the provinces. To that, obviously, there were certain objections. A third proposal was that the provinces should raise all of their taxation by direct methods, though the Dominion should have the right of raising taxation according to any method that in the wisdom of its own parliament seemed best. The provinces would not hear of coming into confederation on the understanding that they must raise all of their revenues by direct taxation, so the compromise effected was this—that such revenues as they did raise would be raised by direct taxation, but that the federal government out of its revenues would make annual contributions in the nature of subsidies to the provinces to

make good what they might be presumed to be sacrificing in giving up their rights to raise any taxation by indirect methods. The subsidies which were agreed to at that time were agreed to as being of a character which would equalize the financial arrangements as between the different provinces of Canada and the Dominion. They were worked out on a per capita basis. That is the fundamental basis on which the financial arrangements between the Dominion and the provinces were made at the time and have existed ever since. As the years have gone by it has been observed that, as agreed upon originally, the subsidies were inadequate, and revisions have been made, but they have always been made with a view to effecting final and equitable arrangements as between the Dominion and the provinces so far as financial considerations are concerned.

If that method is continued I see no danger of conflict over matters of jurisdiction, over questions of raising the necessary revenues or matters of taxation, but if it is to be departed from, if a new custom is to be permitted to grow up whereby this federal parliament is to make grants to the different provinces for all kinds of purposes, grants which are conditional upon agreement with the provinces, grants conditional upon the provinces undertaking work which possibly many of them would hesitate to undertake but for the financial aid being granted, I submit we will soon come into a very serious situation in the relations between the Dominion and the provinces with respect to finances. For that reason, I feel that at this time the ministry might well take into consideration the wisdom of proceeding very slowly in countenancing a custom which, as I am frank to admit, has already grown up but which if continued will, I believe, give rise to serious complications.

The best brief treatise I have seen on the financial arrangements between the provinces and the Dominion is one which was published as McGill University Economic Studies No. 12, by Mr. A. W. Boos, M.A. This treatise was published by the university under the title of The Financial Arrangements Between the Provinces and the Dominion. The writer sums up in a paragraph or two the essence of what I have up to the moment been endeavouring to say. On page 13 appears the following:

> It was provided that the grants authorized by the act were to be "in full settlement of all future demands on Canada." With the exception of the possibility of a limited increase in the per capita grant, owing to an increase in population, for Nova Scotia and New Brunswick, these financial arrangements might be said to be inflexible and non-adaptable to changing conditions. There were several reasons for this. On the one hand, the fathers of confederation thought that they had made adequate provision for provincial expenditures and, on the other hand, they thought that by placing an obstacle in the way of additional or increased grants, they would effectively check provincial extravagance and that the local government would be compelled to control their expenses. "And it must be observed," declared Sir Alexander Galt, in the debates on confederation in the province of Canada in 1865, "that the agreement does not contemplate any future extension of this amount. It is hoped that being in itself fixed and permanent in its character, the local government will see the importance—I may say the necessity—of their exercising a rigid and proper control over their expenditures."

And then:

> In this respect, a quotation from one of the Hon. George Brown's speeches delivered in the year 1867, is especially significant. "Let this, too," he declared, "ever be kept in mind, that the $2,630,000 to be distributed to the local government from the federal chest is to be in full and final extinguishment of all claims hereafter for local purposes, and if this from any cause does not suffice, the local government must supply all deficiencies from direct taxes on their own localities."

And in conclusion:

> The financial arrangements were thought to be final and complete; they were consummated in an environment of concession and compromise, in a spirit of fairness, and with a sense of equity.

I believe that the soundness of the position taken at the time of confederation by those who had to do with the framing of the act must be wholly apparent. The argument which was urged most strongly with respect to not making contributions from the federal treasury to the provinces was that any course of that kind would render the executives of the provinces independent to a considerable extent of their legislatures, and, moreover, that it would prevent the effective control of public expenditures being exercised by the government which was responsible for making the grant. In other words, a practice of that kind was viewed as being contrary to what is essential under any system of responsible self-government. I think that must be wholly apparent. If the executives of the different provinces are granted considerable sums of money from the federal government they are in this manner placed in possession of amounts of money which they are at liberty to spend without reference to the legislatures themselves; it may be that the object upon which the money is to be spent may be named, but the executives are at liberty to expend it without encountering the necessity of raising a corresponding amount in taxation in order to have the required revenue. They are put

in the position where they, as executives, are rendered wholly independent of the legislatures from which, as executives, they derive their authority. In the old days when revenues in part were derived from territorial and casual sources the executive was in that position. It was free to ignore its following in the legislative assembly because its revenues came from sources other than taxation. Responsible government put an end to that kind of thing because it necessitated that revenues should be raised through taxation and that the executive should be responsible to the legislature with respect to all moneys so raised.

If the amounts contributed as grants were small and incidental the question might not come to assume the proportions it is now assuming, but there has grown up in this country a practice entirely different from anything contemplated at the time the original financial arrangements were made or at the time of any subsequent revision, a practice which seems to me to be most unsound.

The present resolution places in the possession of the provincial governments a sum of $750,000 annually for a period of fifteen years, amounting in all to something like $11,250,000. With respect to that $11,250,000 the executives of the provinces will not have to consider their followers; they will have the money handed to them and quite independently of the legislatures they will be free to deal with it. I submit that the effect of that will be simply that the executives undoubtedly will apply this money for the purpose for which it has been granted, but they will take money which otherwise would have been required and raised for the purposes of technical or vocational education and apply it to some other kind of service which they may find it desirable to initiate. In the way of technical or vocational education there will be neither more nor less than there otherwise would have been. That means that the provincial governments will get into the habit of extravagance; it means that they will not be obliged to control their revenues as they otherwise would, and I submit, Mr. Speaker, that surely this is the time, of all times, when with respect to municipalities, provincial governments and the federal government there is need for the utmost scrutiny of expenditures and for economy wherever that can be possibly brought about. To render an executive independent of a legislature, to however small a degree, is a step backward; it is a step in the wrong direction and it is a step which should not be countenanced by this parliament. In addition, a step which will render a provincial legislature more extravagant with its expenditures than it would otherwise be, is not one which should be encouraged by this house.

I know the late Liberal administration was criticized on the floor of the house and throughout the country for having permitted some of these grants from the dominion to the provinces to expire when the statutory term was reached and for not having renewed them. May I say that the reason the late government took that course was not through any lack of sympathy with respect to the various purposes for which these moneys were voted. It was solely due to the necessity which the government saw, in view of the great obligations which had come upon the federal government as a result of the war, of exercising all the economy possible in the matter of public expenditures and of seeing to it that where great sums of taxation had to be raised to meet entirely new obligations, those sums should be devoted to federal purposes first. In other words, we found, as the present administration I am sure is also finding in its case, that the revenues at the time we came into office were not sufficient to meet the expenditures. There was a great national debt. The country was going deeper and deeper into debt. The right hon. Mr. Fielding, at the time minister of finance, took very strongly the view that unless we could balance the national budget the credit of Canada would continue to suffer from year to year; that the first duty of the administration of the day was to seek to balance the budget; and that having balanced the budget, its next duty was as far as possible to reduce taxation. We felt that unless we kept down debt and taxation, we could not hope to improve the financial position of the dominion. The present administration is now faced with a similar situation. When the Minister of Finance (Mr. Bennett) brings down his budget, we shall hear how much the public debt of the country has increased. We shall probably learn that there is a deficit running up into the vicinity of $100,000,000 for the last fiscal year. If that be the case, is it not reasonable to ask the administration to consider whether this is the time that it should begin to extend to the provinces grants for the purpose of carrying on work which is avowedly theirs, or whether it should not first consider the methods that will best serve to reduce debt and taxation.

To make quite clear the point that I have in mind, may I ask this question: Why should the provinces with respect to par-

ticular services be dealt with in a manner different from that which governs with respect to any other services which under the constitution they may have to perform? Take for example the administration of justice. Under the British North America Act this parliament appoints and provides for the payment of the salaries of judges. It does not provide for the administration of justice apart from the payment of salaries of judges. The administration of justice is essential; it is something which all will regard as highly necessary. Why should the dominion not vote certain sums of money to the provinces to assist them in the administration of justice? Why limit financial grants to technical education? Why limit them to highways? Why limit them to old age pensions, agricultural instruction, housing or other specially selected services, essential as they may be? If the principle is a sound one, its application should not be limited at all. My contention is that it is unsound to adopt, with respect to any services which are imposed by the British North America Act upon the provinces, a principle that cannot be universally applied.

May I say further in support of the view I am seeking to present, that I am not aware of the provinces making any contribution towards the increased obligations which the federal treasury is called upon to meet, and, with the passing of the years, the obligations of the federal treasury have increased many times over those of the provinces themselves. The federal government assumed practically the whole obligation with respect to the great war. It assumed the obligation of the cost of the war, and practically all of the obligations that have arisen out of the war. It assumed the complete burden of pensions, and we know how vast in their total amount pensions are becoming. The men who are receiving the pensions are citizens of the provinces as well as of the dominion, but the provinces are in no way contributing towards the extra obligation which the dominion has, and to-day federally we are going deeper and deeper in debt. If our national debt and our taxes are increasing, this is because of the extra federal burden which the federal government is assuming but which the provinces do not share in at all. In these circumstances it seems to me that the only wise and sound course to be followed financially is that each party should meet the services it is expected to meet and not go beyond them without some revision of the entire financial arrangements. For example, in regard to the obligations on the part of the federal government in one matter only, a return was called for a day or two ago by the hon. member for Vancouver Centre (Mr. Mackenzie) with respect to pensions. In the return the following figures appear:

On Account of	Pension list
Judges and civil servants	$ 2,489,325
War pensions	44,234,232
Northwest Rebellion pensions	24,756
Militia pensions	865,176
Civil flying pensions	346
War veterans' pensions	318,029
Old age pensions	11,314,670
Total of all pensions in Canada	$59,246,538

Or roughly, $6 per capita of the population, fixing the population at 9,934,500. This is roughly $60,000,000 of an annual pension list, the greater part of which did not exist when the first departure was made from the old practice of making no financial grants to the provinces other than by the subsidies that were arranged as a result of conferences between the dominion and the provinces. If the financial arrangements between the dominion and the provinces are not what they should be; if they are unjust; if they bear unfairly upon the provinces or upon the dominion, they should be revised and care should be taken to see that the revision is just in all particulars. But I do not think it is right that without such a revision, parliament should, little by little, depart from what was the pact of confederation and assume all kinds of burdens which it is not in a position to meet and which are resulting at the present, of all times, in greater extravagance federally, provincially and municipally.

May I give one other quotation from the writer whom I have quoted? This is one that he makes from Mr. Dunkin, who participated in the debates at the time of confederation. The quotation shows very clearly that the fathers of confederation were in no doubt at all where the practice would lead if once there was to be a departure from that laid down by them as the one that should govern in financial matters between the Dominion and the provinces. At page 9, Mr. Boos says:

> In the course of the debates on confederation in the parliament of the province of Canada, Mr. Dunkin, in opposing the subsidy principle, declared: "I am afraid the provincial constituencies, legislatures, and executives will all show a most calf-like appetite for the milking of this one most magnificent government cow" . . . . "With one accord the provincial governments will, in a quiet way, want money, and the provincial legislatures and people will want it more; grants for roads, for bridges, for schools, for charities, for contingencies of the legislature—for all manner and ends they will be wanting money, and where is it to come

from? Whether the constitution of the provincial executive savours of responsible government or not, be sure it will not be anxious to place itself more under the control of the legislature, or to make itself more odious than it can help, and the easiest way for it to get money will be from the general government."

The writer goes on to say:

The poignancy of these remarks is revealed to a remarkable extent by subsequent developments and the vicissitudes of the subsidy question during the next sixty years lends a great deal of accuracy to these prognostications.

I do not think I need to stress further the point of the number of services the provinces will wish to have aided or financed by the Dominion. I should like, however, to emphasize where the practice is leading in other directions that in other ways are inimical to our public life.

In the first place, if the practice is to be encouraged of the Dominion making special grants to the provinces for different purposes, to that extent the federal government is going to be put in a position to bring pressure to bear upon the various provinces with respect to the several matters with which they are to deal. That is not a course that should be countenanced. At the last Dominion-provincial conference, if I am not wholly mistaken, the provincial premiers were virtually unanimous in their view that such moneys as were to come to them from the federal treasury should be in the form of subsidies which each province would be free to deal with as its own requirements seemed to warrant. They were opposed to these special grants for special purposes. They wanted all the money they could get, but they wanted to be free to deal with their different requirements as they arose with an absolutely free hand, and not to be bound by any direction from a federal source.

My hon. friend the Minister of Justice (Mr. Guthrie) has referred to two or three changes in the present measure from the act which previously passed this house. Those changes help to illustrate the very thing I have in mind. In the first place, my hon. friend says that in this bill provision is made that a province may use for agricultural instruction purposes moneys voted under this resolution for vocational education; in other words, the grant can be switched from one purpose to another. Now the switching of appropriations is another violation of a fundamental principle.

Mr. GUTHRIE: I did not intend to give that impression. I said, subject to an agreement. But no switching.

Mr. MACKENZIE KING: Exactly, subject to an agreement, but we are now appropriating the moneys for vocational education, and my hon. friend in his speech says that if a province does not wish to use these moneys for vocational education, then by agreement it may use the same moneys for agricultural instruction.

Mr. GUTHRIE: That, I take it, is vocational education.

Mr. MACKENZIE KING: It may be capable in a broad sense of that interpretation. I will go that far: I am not trying to score any point; I am simply trying to bring out the truth. When parliament previously voted money for technical education, it was found that one province in particular, possibly more than one, but one certainly, the province of Prince Edward Island, I remember, did not wish to start any technical education system at all. That province contended that it was largely an agricultural province, not a manufacturing province, and it did not wish to enter upon a technical education system. Representations were made to the federal government by the province that inasmuch as they had not drawn any money from the federal grant for technical educational purposes, they should be given permission to draw an equivalent amount for agricultural instruction. That request was met, and some of the moneys previously voted for technical education went to the province of Prince Edward Island for purposes of agricultural instruction. But agriculture is something that comes under the jurisdiction of the provinces as well as under the jurisdiction of the dominion, and I submit that it is not a wise thing to begin to have appropriations for agriculture made in this parliament for the work of agriculture as it is to be carried on federally, and, as well, moneys voted in this parliament to give to the provinces to help them in their agricultural work by supplementing their own appropriations for agriculture. It results in confusion, and wherever there is confusion with respect to financial matters there generally comes to be a considerable amount of waste as well. In other words, the making of money grants is practically paying the provinces to relinquish part of their autonomy; that is what it comes to, where grants are made from the federal treasury to the provinces under agreement or with any string attached to them.

But in addition to that, Mr. Speaker, I submit that the practice is almost certain to give rise to a very serious problem in our political life, and that is the inducement it affords to a government in office or to a party seeking office to win the support of the electorate of provinces through promises which they may

be prepared to make for payment to the provinces on various services out of the federal treasury. I do not wish to go into recriminations with respect to the last general election or what took place then, but I do not hesitate to say that the promises made by hon. gentlemen opposite that if returned to power they would vote moneys to the provinces for technical education, that they would vote moneys to the provinces for highways, that they would vote moneys to the provinces for unemployment relief, that they would vote moneys to the provinces for agricultural instruction, and above all for old age pensions, and for very many other things—I do not hesitate to say that these promises more than anything else are responsible for hon. gentlemen opposite being in power at the present time.

Some hon. MEMBERS: Oh no.

Mr. MACKENZIE KING: May I say this, to make quite clear what I have in mind? Had the administration which was in office at the time pursued a like course, and it might have pursued it in a way much more effective than the way taken by hon. gentlemen opposite, there is no question as to where the former administration would be in the matter of power to-day. If before the general election the Liberal government which was in office had placed in the estimates which it brought down in this house the sum of $20,000,000 for unemployment relief, to mention nothing else, I venture to say we would have heard very little of the unemployment problem in the last election; but because the government of the day sought to protect the federal treasury with respect to what it conceived to be the obligations of the federal treasury, and took a position which was essential with respect to public expenditures at a time of great obligation and great need, we suffered politically in contrast with the methods adopted by hon. gentlemen opposite. But if we had gone a step farther and had said, we are prepared to give one hundred per cent of the old age pensions, we are prepared to construct a federal highway either through aid to the provinces or by the Dominion itself, we are prepared to aid technical education and agricultural instruction in the same way as it was done before, and if we had put estimates before parliament for that purpose and voted them with the power that we had while in office, I venture to say that there could be no two points of view as to what the outcome of the election would have been. It is a very serious thing, Mr. Speaker, if in our country a course is to be embarked upon which at all subsequent elections is going to lead to competition between the various political parties in their appeals to the electorates of the several provinces as to which is going to be most generous with public money. That I say is a very serious thing. It is easy to make promises. Hon. gentlemen opposite are going to find out how easy it is to fulfil them. But it should not be possible for any government or political party to be able to promise if returned to power to use federal moneys for provincial purposes. The constitution itself should make that impossible and such I believe was the intention. The fact that this kind of thing has happened is the strongest reason why we should now consider, at an early stage, at this second session of the new parliament, whether such a practice should be permitted to grow up in our country. I make that statement with great seriousness. My hon. friend stated that he was interested in this matter a quarter of a century ago. I can scarcely believe that at a time so long ago I had the privilege of being associated with him in connection with this very subject of technical education. A quarter of a century is a considerable portion of a man's life. Looking forward to what may happen within the next quarter of a century, I hope that before we get much farther advanced this parliament, for the country's sake, will find it possible to stop possible competition between political parties as to the use of federal funds for provincial purposes in appeals to the electorates of the provinces. When a grave danger exists it had better be frankly faced. I believe the fathers of confederation perceived the possibility when they made the very wise provision for dividing the duties and functions of governments between the dominion and the provinces and laid down the rule that the authority which expended the taxes should be the one to raise the required revenues. May I point out how fundamentally unsound is any other principle? The body which has to do with the raising of revenue should be the only one to have to do with the spending of it. A thoroughly unsound principle lies at the heart of the proposal now before the house. The proposal is that the federal government which has had and will have to raise the taxes shall transfer to the provinces the moneys received and the provinces will be free to spend such moneys without giving any account to the federal government beyond the assurance that they have received the moneys and are using them for the particular purpose prescribed. The adequate control of public expenditures in this parliament goes

farther than the voting of moneys by parliament and their transfer to a legislature allowing the legislature to deal as it pleases with the money. The control of public expenditures, rightly understood, necessitates following to the last stage in expenditure the manner in which public money is expended. This legislation is a denial of that principle. At the special session of parliament a similar right and duty was denied this parliament with respect to the measure concerning unemployment relief. The government said, "When we pay the money to the provinces and the payment is acknowledged by them, our responsibility ends." Hon. members on this side of the house took the position that the Auditor General of this country should audit in detail every dollar of expenditure appropriated by this parliament. If once we get away from that principle not only in regard to hundreds and thousands, but in regard to millions of dollars, where shall we have any sound basis for the control of public expenditures in relation to the financing of the country?

To give hon. members an idea of the proportions these grants are assuming I will quote to parliament what was paid out of the federal treasury to the provinces during the time the late Liberal administration was in office. On occasions the electors have been told that the late administration was heartless, that we made no payments to the provinces and that we were depriving them of all funds from the federal treasury. While in office we carried out the provisions of the statutes we found on the books when we assumed office and made payments in accordance with those provisions. I have the figures before me showing the grants for the fiscal years ranging from 1921-22 to 1929-30. Here is the statement in tabulated form:

Total Grants to Provinces by Liberal Administration

fiscal years, 1921-22 to 1929-30

Subsidies	$ 99,334,132	
Special subsidies to maritimes	4,800,000	$104,134,132
Highways	16,065,990	
Agricultural instruction	1,993,482	
Technical education	6,890,375	
Amortization of debt against certain school buildings	133,389	
Unemployment offices	1,337,032	
Eradication of venereal diseases	1,000,353	
Old age pensions	3,770,991	
Unemployment relief —Labour	1,004,874	32,196,486
Unemployment relief —pensions and national health	3,858,184	
War pensions	233,804,397	237,662,581
		$373,993,199
Estimated grants for fiscal year ending March 31, 1931, for above services		71,931,229
		$445,924,428

From the table it will be seen that in a period of eight years, not quite the whole period of time we were in office, the grants made to the provinces in subsidies by the Liberal administration amounted to $99,334,132. Special subsidies to the maritime provinces amounted to $4,800,000, or a total paid out in subsidies of $104,134,132. The grant for highways was $16,065,990; for agricultural instruction, $1,993,482; for technical education, $6,890,375; for amortization of debt against certain school buildings, $133,389; for unemployment offices, $1,337,032; for eradication of venereal diseases, $1,000,353; for old age pensions, $3,770,991; for unemployment relief paid out by the Labour department, $1,004,874; making a total grant for these services of $32,196,486. In addition the federal government assumed the obligation in connection with the relief of war veterans by the payment of war pensions. In connection with unemployment relief the amount of $3,858,184 was paid out by the Department of Pensions and National Health. The total payment for war pensions was $233,804,397, the two last-named items making a total of $237,662,581. The grand total of payments out of the federal treasury in pensions and relief to persons living in the provinces and for provincial services amounted to $373,993,199. It was estimated that the grants for the fiscal year ending March 31, 1931, for the purposes I have mentioned would be $71,931,229. If that estimate is nearly accurate it would appear that in the time within the 9 years during which the late administration held office $445,924,428 was paid out of the federal treasury to the provinces. If we take an average of the figures I have quoted to ascertain expenditure over a ten year period, we find that within the past decade there was an expenditure of over half a billion dollars from the federal treasury to the different provinces. Certainly such expenditures were never contemplated at the time of confederation when the subsidies were fixed at a definite amount nor were grants to that extent contemplated when subsequent revisions were made.

May I add that in addition to all these grants the provinces in other respects have been dealt with in an exceptionally liberal manner by the federal government. During the time the late administration was in office the maritime provinces had their grievances reviewed by the Duncan commission, and as a result adjustments were made which have resulted in additional payments to the maritime provinces in special subsidies alone of $4,800,000. There have been for provincial purposes many additional payments. The prairie provinces, Manitoba, Saskatchewan and Alberta, have had their natural resources returned to them. In addition to that this parliament has generously continued to those provinces the subsidies which they had been receiving in lieu of their resources. They have received back what was left of their resources, and the subsidies which originally were given in lieu of resources have been continued. In the province of British Columbia the government gave back the Peace River block, the railway belt lands, to which the province had no legal claim and in addition continued to the province of British Columbia the subsidy that province was receiving during the period this government had control of those particular lands. The position taken by the late administration concerning the water powers in the old provinces of Ontario and Quebec was that these powers would by agreement between the dominion and the provinces be treated as though they belonged to the provinces although the matter had not been finally judicially decided. The correspondence reveals that as a matter of public policy we were quite prepared to concede to the province of Ontario with respect to water power on the St. Lawrence exactly the same rights as the province of Quebec asserted were her rights with respect to such water power. I may say that continuously the federal parliament has treated the provinces most liberally with respect to all natural resources, giving them additional sources of revenue, and the like. On the other hand, the federal government has received from the provinces nothing in exchange voluntarily or otherwise. The time I think has arrived when this matter should be made the subject of a conference concerned with a financial readjustment between the dominion and the provinces. If it does appear that the provinces are entitled to something more than the subsidies as fixed at the present time, by all means let the subsidies be revised and an increased amount given. A step which might serve the purpose equally well, and possibly even better, would be for this federal government to take over some of the services which at present are being left to the provinces. Whether this should be done in addition to payment of subsidies, or in exchange, in whole or in part, for subsidies to which the provinces are entitled, would be a matter for negotiation. If, for example, the intention of the administration opposite is to meet one hundred per cent of the cost of old age pensions apart from administration, I submit it would be entirely wrong for this parliament to vote all the money required to pay old age pensions and leave it to the different provinces to administer the vast sums thus appropriated. If one hundred per cent is to be paid, by all means let the appropriations made by this parliament be administered by the government which is responsible for voting the money, and let every cent of the expenditure be checked up by the Auditor General, who is responsible to this parliament and removeable only by an address of both houses of parliament. Any other basis would be altogether unsound. I know that the late Liberal administration did assume half the obligation with respect to old age pensions, and to that extent our action at the time did not conform to what at the moment I am putting forward as the right course to be pursued, but that step was taken at the time because of certain constitutional difficulties believed to exist with respect to the federal government administering an old age pension scheme. If those difficulties still exist they should be removed, before the appropriations are increased. I do submit that fundamentally, with respect to the finances of the country, this parliament should adhere to the essential view that the body which raises the money must be the body which will have the responsibility for expending it and vice versa, and that the responsibility must be exercised in the light of a full and complete audit by the officer appointed by this parliament for that purpose.

Now, Mr. Speaker, just this word in conclusion: The Prime Minister is filling the important portfolio of Minister of Finance, and has given, as we all know, very careful thought and study to many of these financial problems. He has addressed this house on different occasions with respect to what in his view was the position that should be taken by this parliament in financial matters, and he has stressed, as the leader of any political party or any government must stress, the necessity for economy in public expenditures and above all the necessity for a nation, having regard to its credit, not to go deeper and deeper into debt but to seek to balance its budget. May I say that if the budget of this parliament were balanced and taxation were down to a

moderate level, perhaps I would feel a little less concerned about being over-generous with the provinces in the way of contributing a portion of our revenues to them for provincial purposes. But when we know the public debt of the country to be what it is to-day, when we know it is going to be increased this very year by something like $100,000,000, then I say this is a time we should begin not to look around to see where we can spend more money, but where we can successfully economize in public expenditures.

The Prime Minister, as leader of the opposition in this house on March 13, 1928, spoke as follows:

> I say that we should place upon the statute books of this country at the earliest possible moment a provision by which a sinking fund will be set up such as they have in Great Britain and in other countries, so that we shall be enabled, within a period to be mentioned, absolutely to wipe out and eliminate the national debt of Canada.

I assume that when the Prime Minister brings down his budget we will find therein some provision in the nature of a sinking fund. If that provision is made, the object will be to wipe out and eliminate the national debt of Canada. I ask my hon. friends who are members of the administration, are you helping in that direction when you ask this parliament, at this of all times, to increase its expenditure by making this contribution in the nature of an additional grant to the provinces for vocational education? Will you be assisting the Minister of Finance and the Prime Minister in his great objective when other demands of a similar kind will be made later on? What is the next sentence:

> What is the province of Ontario doing?

This is interesting:

> What is the province of Ontario doing? Do hon. gentlemen realize that in Ontario they have provided for the setting aside, of $3,000,000 every year so that at the end of forty years their debt will be entirely wiped out, half being provided by public utilities, and the other half from the taxpayers of the province itself? Do hon. gentlemen realize that?

Those were the words of the Prime Minister, speaking two years ago from where I am speaking now. May I ask the house, using his words: Do hon. members realize that while the province of Ontario has made provision for wiping out its debt in forty years, by a sinking fund which sets aside $3,000,000 a year, we in this federal parliament are voting in appropriations to the province of Ontario on one account or another a sum, not of $3,000,000 a year but of over $4,000,000 a year to be paid from the federal treasury out of the taxes of the people? Do hon. members realize that? Let us see what was voted to the province of Ontario over a period of eight years, when the late Liberal administration was in office. The figures are as follows:

Subsidies	$21,140,893
Highways	4,550,945
Agricultural instruction	590,304
Technical education	2,400,024
Employment offices	519,411
Unemployment relief (Labour)	565,446
Eradication of diseases	336,938
Old age pensions	1,127,844
	$31,231,805

That is an average of just about $4,000,000 a year. That is the amount that goes out of this federal treasury to the province of Ontario, leaving that province free to spend it with respect to the different services named or, as regards the subsidies, as the province wishes, and the province on its part is setting aside not $4,000,000 a year, the amount it receives from us, but $3,000,000 a year, as a sum sufficient to wipe out its entire public debt in that time. When Canada has a debt such as exists at the present time in this Dominion, a debt of over two billions of dollars, why should this parliament pay off the debts of the provinces before it begins to pay off its own public debt? I submit that at this time, when we are seeking to raise the revenues necessary to meet current expenditures, and find this impossible and have to resort to the extremes in taxation to which we have already gone, and may yet have to go, we had better begin to pay off our own debt first and then, when that is done, there will be time to consider what is advisable as regards being more generous to the provinces. Let us be just before we are generous. Following what I have read, the Prime Minister said:

> Suppose we seek to retire only $1,500,000,000 of this debt by a statutory sinking fund, by means of a provision placed upon the statute books of this country, so that the demands and pressure by political supporters would not induce the finance minister to part with public moneys because he would have to meet these sinking fund payments. It would ensure economy in the public service, and what is more, it would make the people of this country increasingly proud as they saw what President Coolidge has described as this greatest menace to our economic development, this great load of debt hanging over our necks, being gradually retired.

There is an interesting phrase used by the Prime Minister in that paragraph:

> . . . . the demands and pressure by political supporters would not induce the finance minister to part with public moneys because he would have to meet these sinking fund payments.

What is this resolution other than the result of the pressure which is being put on the finance minister for political reasons, and no others, pressure mostly of his own creation? Now, I should like to read two paragraphs more of what the Prime Minister said:

> Is this country to continue to be menaced by this economic evil, by this debt hanging over our heads? Are we to continue, of all countries in the world, to make no provision for the future? Are we to be content to expend our patrimony day by day, without putting anything aside to take care of the long days of the future that are before us? I say it is unfair to ourselves, it is unfair to the taxpayers of this country to extract from them each year these increasingly large sums of money and make no provision for the retirement of our national obligations.

A little further on he says:

> It has been said that no government is ever defeated because it is extravagant. That well may be. It well may be that the people may be debauched with their own revenues, and be taught that all you have to do is to spend their taxes freely among them and then you have succeeded, but what is the effect upon the life of the nation as a nation?

I commend that last paragraph to the Prime Minister and the members of his administration. The Prime Minister says: You may retain power by debauching the nation with its own revenues, but he also asks what is going to become of the nation in the long run?

Now, Mr. Speaker, I suggest to my hon. friend—and I do so with all respect and sincerity—that he consider how far he should press this resolution at this time in the light of the financial situation of this country as he and his colleagues know it to be. Why fix a term of fifteen years as the period over which this sum of money should continue to be paid? I do not see why we should bind subsequent parliaments and possibly administrations to payments of this kind running on for fifteen years, that is until 1946. The time surely ought to be shorter than that. May I say this? Frequently of late we have heard mention of the Dominion-provincial conference that is soon to be held. I would suggest to my hon. friend that he consider the wisdom of limiting the period of time for which this amount is to be paid to the period that may intervene between the present and the holding of that conference. Or, as an alternative, the withholding of the measure altogether—which would be preferable—until after the Dominion-provincial conference and until after there has been opportunity for careful discussion there of this whole matter. I know my hon. friend is seeking to fulfil an obligation. He has made promises that something of this kind will be done, and being a man of his word, he is seeking to fulfil those promises; but I believe the public at large will credit him with an even finer sincerity if in view of the situation as it is in Canada to-day, he declines to proceed further with this resolution or the bill based upon it until the provinces and the Dominion in conference have jointly considered what should be done with respect to the financial arrangements between them.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, so frequently from this quarter we are obliged to offer adverse criticism that I am very glad indeed to-day to be able to commend the Minister of Justice (Mr. Guthrie) on the admirable statement which he has given to the house, and I shall be very glad indeed to support the resolution.

The leader of the opposition (Mr. Mackenzie King), it seems to me, has been attempting to magnify a molehill into a mountain. He tells us that this year we shall probably be $100,000,000 behind. If we are so far behind in our budget, it is well for us to remember that all the expenditure called for by this resolution is three quarters of a million dollars—considerably less than 1 per cent of the deficit that the leader of the opposition believes we shall have to face this year.

I am afraid that if I were in a facetious mood I would have to begin by rather objecting to the resolution on the ground that "it is contrary to the terms of the British North America Act". Really I would commend the Minister of Justice for the skilful way in which he has avoided the British North America Act. I would suggest to the member for Southeast Grey (Miss Macphail) that if she could simply show that peace was in some way connected with trade and commerce, that it tended to promote trade and commerce, she would not have the slightest difficulty about being able to secure a grant for her professorships and scholarships from the present government, notwithstanding the British North America Act.

The leader of the opposition was rather captious in his criticism, when he went so far as to criticise the changes which have been made in the proposed resolution as compared with the terms of the old act. I take it that these changes indicated by the minister represent the lessons which have been learned during the past years. It is surely perfectly legitimate that the great vocation of agriculture should be placed on the same basis as other vocations. There seems no reason why that should not be done. In fact, now that agriculture has developed so many tech-

nical features it is eminently in keeping with general developments that this should be the case. Further than that, the other change mentioned, that of permitting the provinces to decide just what percentage of the grant should go into equipment and what into actual teaching, appears to me to be a reasonable one; the provinces ought to be allowed some discretionary power in that regard, especially when we consider, as the minister has said, that their development is at different stages.

The leader of the opposition had a good deal to say about the heavy financial burdens that this country had undertaken, and to offer that as an excuse why his government—the late government—had not continued the grants to technical education. He urged that there ought to be a balanced budget, and then that we ought to have reduced taxation and reduced debt. It is quite true, as he said, that we have a huge annual pension list of $60,000,000, but I would point out to the house that the greater part of that $60,000,000 has not been contracted because of any peaceful expenditures, but because of war, and hence this argument ought not to be used when we are discussing a matter that relates to the civil life of the country.

The leader of the opposition brought forward a number of technical objections, and as I listened to him I could well imagine myself back fifty years in the age of Gladstone with his "retrenchment and reform", because on these matters I do not believe the right hon. gentleman has travelled much in his thinking beyond the age of Gladstone and the ancient Liberals of that day. But the times have moved on. And that, may I say, is the trouble with the Liberal party in Great Britain—and apparently it is going to be the trouble with the Liberal party in this country. They are refusing to recognize the changed conditions, and they satisfy themselves by mumbling old slogans at a time when they will not work.

An hon. MEMBER: Is the hon. gentleman talking as a prophet?

Mr. WOODSWORTH: The hon. member can take it that way if he likes. I think that in such a matter prophecy is justified. When you see the decline of the Liberal party in Great Britain, and you find the Liberal party in this country advocating similar policies, it does not take a prophet nor the son of a prophet to know what the outcome is going to be. The leader of the opposition spoke almost as if we had not been in the habit of doing this kind of thing. Let me remind the house that since confederation we have had subsidies to the provinces. Of course, he did mention those subsides, but this is an example of what he would regard as a "vicious principle". Yet confederation itself was founded on what he would term the vicious principle of the collection of moneys by the federal authorities and the turning-over of those moneys to the provinces. Further, it has been a sound and well-recognized principle in British finance that certain higher authorities would give "grants in aid" to other organizations, and it has been lauded as a very satisfactory arrangement. We have had provincial grants in aid of municipalities, we have had provincial grants in aid of school boards. In short, grants in aid have become a commonplace, and in carrying out this idea of the federal government giving grants in aid of vocational education, we are but carrying out an arrangement that has frequently been practised by the British government, and by the federal government ever since confederation.

I should like to direct attention to some other ways in which we have given grants in aid. For example, we have given aid to the Canadian National Railways. I know there are dangers connected with that proceeding, but the Canadian National Railways have not been in a position to raise their own revenue. This house has raised the revenue required and we have turned over the actual expenditure of the moneys and have exercised very little control.

Sir EUGENE FISET: We have done exactly the contrary.

Mr. WOODSWORTH: How so?

Sir EUGENE FISET: We have authorized the Canadian National Railways to raise their own loans.

Mr. WOODSWORTH: Yes, they have been given permission to raise loans but we have backed those loans and we have also met deficits. We have stood behind them financially but they have been erected as a separate organization to carry out the details of their business. My colleague suggests that we have also given grants to the Canadian Pacific Railway. Of course, that is true because hundreds of millions of dollars have been given in subsidies and in land grants, and the company has carried on its own administration. There have been a great many forms in which grants in aid have been given.

I am not here to criticize one party rather than the other, but I would remind the leader of the opposition that if anyone is to blame for the extension of this principle it is he and his government in connection with the Duncan report. I do not know of any action

which more directly encouraged the provinces to look to this government for assistance than did the Duncan report. Probably we in the west would be well advised if we asked for a Duncan commission for western Canada and in that way sought to get some of the help we need at the present time.

The leader of the opposition referred to the obligations which this country had incurred during the great war and said that the principle which should be adopted was that we should follow to the very last degree the spending of whatever money was given. I wonder whether the Dominion government was responsible to the last cent for the expenditures during the four years of the war. I am not sure as to how that money was spent in detail, but I am quite sure that we did not follow to the last degree the expenditure of every cent for which we were responsible in connection with the great war.

Sir EUGENE FISET: Every cent of it.

Mr. WOODSWORTH: The hon. gentleman says "every cent," but I do not think so.

Sir EUGENE FISET: I will go further than that and say that the Auditor General had a special branch of his office to audit every expenditure.

Mr. WOODSWORTH: In spite of what the Auditor General did, my point still stands. The fact is that as far as Canada was concerned we were not primarily responsible for the conduct of the war or for the way in which it was carried out, as we should have been if the reasoning of the hon. leader of the opposition were followed out.

It is all very well to have a readjustment of taxation as between the dominion and the provinces and I am in hearty sympathy with the leader of the opposition when he says that there should be a conference called for that purpose. That is long overdue. Undoubtedly the relationship in this regard between the dominion and the provinces is very unsatisfactory, but I would like to point out that in addition to that we have to consider other matters such as redistribution of powers as between the dominion and the provinces. It is not right simply to select one out of a number of matters and concentrate attention upon it to the exclusion of all the others. The consideration of who is responsible for unemployment should go along with the problem of who is to pay for unemployment insurance. Because of the development which has occurred in the industrial sphere it is next to impossible under modern conditions for the provinces to handle a matter of this kind.

Further there is a definite trend in the development of the industrial, commercial and financial life of this and all other countries which we ought to recognize. We live in an era of concentration. We know that we cannot have a bank limited to the provinces—that was recognized even at the time of confederation—we must have institutions which are Dominion-wide. As a matter of fact they cannot be limited even to the dominion, they must establish relations between this and other countries. So to-day we are moving in the direction of an international bank. That illustration from the financial field is indicative of the movement going on the world over—a movement of organization and concentration. In the face of a movement of that kind it seems to me to be absolutely futile to suggest that we can revert to the conditions which existed fifty years ago or decentralize in our governmental policies and expenditures. I do not believe it can be done; we shall have to find some other solution than that.

The leader of the opposition suggests certain political dangers which may be met should this policy be persisted in. He suggests political pressure from the provinces, or by the public at the time of elections. He went so far as to say that had his government suggested the grant of $20,000,000 for unemployment relief they might still have been in power. That may be true, but I would have thought that instead of attacking the present government he would have considered that by this time he ought to have learned his lesson. After all, those in authority cannot altogether disregard popular demands. What is a government for? Surely it is to carry out the will of the people. We cannot as a house, or those who are in charge of the government cannot as a government, hold themselves aloof from the needs and the desires of the people.

It is all very well for the leader of the opposition to talk about the necessity of economizing. We all believe in economy; it is a good thing under certain circumstances but one can withhold "more than is meet, but it tendeth to poverty." There is danger that we may withhold to-day the money which we ought to spend. Whatever our theories of government may be, governments to-day must assume a larger measure of responsibility for social expenditures all along the line. Nearly all governments have been forced to accept that position, and the government of Canada cannot be different in that regard from the other governments of the world.

Mr. YOUNG: Who is going to pay for it all?

Mr. WOODSWORTH: That suggestion very well comes from the hon. member for Weyburn (Mr. Young). I suppose he will say the farmer is to pay.

Mr. YOUNG: Yes.

Mr. WOODSWORTH: That is the only thing he can say.

Mr. DUPUIS: That is enough.

Mr. WOODSWORTH: It is not enough. The hon. member for Weyburn and those who think with him would be well advised to get away from the narrow philosophy which they hold. The farmers of this country would be far better off if they adopted a different viewpoint. I am proud to belong to the west and I know there are many western farmers who have adopted a viewpoint different from that adopted by the hon. member for Weyburn. It is only as we get a social viewpoint with regard to these things that we will begin to solve our problems.

An hon. MEMBER: What is that viewpoint?

Mr. WOODSWORTH: It is not necessary to go into details, but in answer to my hon. friend let me say that after all this is not so much a question of refraining from spending money as it is a question of where we are to get the money. As long as we have resources that are as great as they are in Canada, as long as we have bank reserves that are piled up as they are in this country, there is no earthly reason why we should fail to spend when the people need the expenditure.

Mr. ST-PERE: How will the hon. member get those reserves from the bank?

Mr. ILSLEY: Does the hon. gentleman not think such a policy as he has outlined has brought grief to Australia?

Mr. WOODSWORTH: I am not discussing the policy of Australia, but I would say with regard to the Australian policy: If it is a fight between the moneyed interests including the Bank of England interests and the welfare of the people of Australia, the people of Australia come first. The situation we have to face in this country is somewhat similar and it is a serious one. We have, I believe, sufficient resources: It is a case of utilizing these to meet national needs. How do they raise their revenue in Great Britain—income tax. Have we done much along that line? We have just a light income tax now long years after the war. We should have raised our war expenditures as we went along, but we refused to adopt that method of financing. Had we done so we should not have had any debt now, our policy differed from that in Great Britain in that during the war we refused to impose an income tax and we came to it later very gradually. Somebody suggests that it would have stopped the war if we had raised the whole of the debt at that time from an income tax. Perhaps, but we did not do so and we have been very cautious in extending it. I think here I shall have to commend the late government that they did not yield when considerable pressure was brought to bear upon them to wipe out that tax altogether, but rather held out for it. My contention is that it ought now to be greatly extended and that the major part of the revenues of this country should be raised through income taxation rather than, as it is to-day, through indirect taxation which bears so heavily upon the people. In this I agree with the hon. member for Weyburn (Mr. Young), and if he and other members on this side of the house would join with me, we would get a great deal further in raising a larger proportion of our revenue through the income tax which ought to be more steeply graded than it is at present. If that were done the $750,000 now proposed to be spent on technical education would be a mere bagatelle.

Another source of revenue that we might use is an inheritance tax. This is being practised to a considerable extent in Great Britain and I do not see why we should not adopt it in this country.

Mr. EULER: The province of Ontario has it.

Mr. WOODSWORTH: They have it also in my province, Manitoba, but the Dominion does not have it.

Mr. RINFRET: Quebec has it.

Mr. WOODSWORTH: I know the provinces have it, but I am talking about the Dominion.

Mr. ST-PERE: They have an inheritance tax in the United States and they are trying to get rid of it.

Mr. WOODSWORTH: I know the moneyed interests there are tremendously strong; but I am speaking about the Dominion parliament. We in the Dominion parliament have never adopted the inheritance tax with the result that we have huge estates being passed on from generation to generation.

Mr. ST-PERE: So the hon. member would favour a double inheritance tax?

Mr. WOODSWORTH: I would double, treble and quadruple it. Years ago it was stated in the manifesto of the Labour party in Great Britain: We have gone on the principle that our death duties should take a very small percentage off and the greater part should be passed on to the heirs. We should go rather on the other principle that naked a man came into the world and naked he should go out. We should proceed on the principle of allowing an individual simply a sufficient amount of money to educate his family and provide for his dependents, the rest to be retained by the state for state purposes. If we were doing that in this country, we would not need to worry about spending $750,000 on technical education.

What does technical education mean? If we are to progress in Canada and take our place with the other great nations of the world, we must spend a great deal more than three-quarters of a million dollars a year on technical education. We ought to pour our millions into that work, if we would place ourselves beside other nations which have developed to such a great degree.

Mr. ST-PERE: The province of Quebec is already spending money on technical education.

Mr. WOODSWORTH: Yes, and the other provinces too. But instead of talking about economizing in these matters, we should rather vie with one another as to how much we can spend when every cent that we spend is going into the lives of our children and into the building up of a finer and better nation.

I know there are theoretical objections which may be and which have been raised this afternoon, but such matters can be straightened out when a conference has been called. That should have been called ten years ago, but it has been put off and put off. I hope the present government will call it in the near future. In the meantime I would say that the quickest way to get a conference is to break in on the British North America Act in this manner, and then when the conference comes, we shall be more inclined to make even greater modifications of that act. The quickest way to get the proper adjustment of taxation is to spend and spend until the people generally wake up to the fact that they have to adopt means of taxation other than those which have so far been adopted in this country.

[Mr. Woodsworth.]

Hon. W. D. EULER (North Waterloo): I have frequently listened to the hon. member for Winnipeg North Centre (Mr. Woodsworth) who has just spoken, and always with a great deal of respect. I should like to say to him to-day that while I have never questioned his sincerity, I believe he would have a great deal more influence in the house if he did not do quite so much scolding in both the manner of his presentation and the tone of his voice. The house will perhaps be surprised that I should make remarks of this kind because I very seldom do so. The hon. member has seen fit to read a lecture to both the Liberals and the farmers in this house. He has referred to the Liberal party in England—and I have no special brief for that party—as being a dying institution. Perhaps that is so, but he might indulge in a little self-examination as to why, as he says, the Liberal party in England is dying and the Labour party is apparently taking its place—

Mr. WOODSWORTH: I did not say a word about the Labour party.

Mr. EULER: But I do. I have nothing to say against the Labour party because I am just as strong an advocate of the rights of labour as he is, although perhaps he will not admit it. I may ask: whereas the Liberal party in England is apparently going down and the Labour party is going up, why in the world does the same thing not happen in Canada? Perhaps after all, the Labour party in England is well led and I would put the stress upon the word "England". I say that in all kindness to my hon. friend and I hope he will so consider it.

Just a word in regard to the merits of the question itself. I know it is more or less dangerous for any hon. member to place himself in a position which might be interpreted as opposed to technical education. I believe every hon. member, myself included, is in favour of technical education, and after all, the only question is as to who should carry out the work. My attitude is simply this—and I think it is eminently reasonable: education is a matter for the provinces. Constitutionally the provinces are charged with the work of education. That being the case, why should we depart from that principle? I am entirely in favour of technical education, but unless there is some special reason why the federal parliament should intrude upon the rights and responsibilities of the provincial parliaments, I see no ground why in this particular instance we should violate that principle.

The leader of the opposition has advanced an argument which to me has always seemed strong, so far as contributions to the provincial treasuries are concerned. He has stated that the debt of Canada is enormous, which is true, as a result chiefly of the war, and that our responsibilities by way of expenditures and taxation are exceptionally great. It cannot be successfully contradicted, that the financial responsibilities of the Dominion parliament are infinitely greater than those of any of the provinces. The province of Ontario and the province of Quebec, comparatively speaking, are rich provinces and can well afford to carry out the obligations that are imposed upon them by the constitution. I am in favour of technical education, but I believe that we ought to keep things in their proper compartments, and if the duty of furnishing technical education or education of any other kind is imposed upon the provinces by the constitution, then why in the world should we depart from that? Each should discharge its own responsibility. The father is supposed to take care of his child. It it comes to want, if it needs assistance, its father, and not the father of somebody else, is supposed to take care of it. That is a homely illustration, but I think it holds good. It is merely a question of who should discharge the responsibility, and my argument is that the responsibility is placed upon the provinces, and I can see no good reason—certainly none has so far been advanced—why we should assume a responsibility that is strictly placed upon others, and who can afford to discharge it.

Mr. GUTHRIE: May I offer just a word, Mr. Speaker, before the question is put. I would point out to my hon. friend from North Waterloo (Mr. Euler) that this resolution does not propose to take away any power from the provinces nor to take away any responsibility from the provinces, but rather to increase the power of the provinces in one particular direction in which I think it is generally conceded that this parliament, representing the whole Dominion of Canada, has a special and, indeed, a particular interest.

Just a word in regard to the very learned address offered to the house by my right hon. friend the leader of the opposition. This I will say in regard to his address, that the attitude which he has taken to-day in regard to the proposal to make federal grants in aid of technical education in the various provinces has been pretty consistent with his whole course since this question was first brought to the attention of the federal parliament, for I well remember that when I moved for the first time in this parliament a quarter of a century ago for the appointment of a commission to inquire into technical education, my right hon. friend the present leader of the opposition was the one who moved a motion which killed mine, and I was the only one then on the Liberal side who voted in favour of such a commission. However, a year or so afterwards, he decided that the popular demand in favour of something being done by the federal government was so great that it was time to act, and my right hon. friend, who was then Minister of Labour in the Liberal administration of that day, did issue a commission for the purpose of inquiring into technical education, and that commission made a very valuable report to parliament.

During the course of his remarks to-day the right hon. leader of the opposition alluded to the late Right Hon. Mr. Fielding, one of the most eminent finance ministers that Canada has ever produced, a man who for fifteen years was finance minister in the government of Sir Wilfrid Laurier, and was afterwards for five years finance minister in the government of my right hon. friend the leader of the opposition. The late Mr. Fielding was a member of the administration of Sir Wilfrid Laurier when my right hon. friend the leader of the opposition appointed his technical education commission, and speaking in this house on June 20, 1919, as reported at page 3924 of Hansard for that year—

Mr. LAPOINTE: 1909.

Mr. GUTHRIE: No, 1919, when the bill to make a grant of $10,000,000 for technical education was before the house.

Mr. LAPOINTE: Mr. Fielding was not finance minister at that time.

Mr. GUTHRIE: He was a member of the house and was sitting in the house at the time. This was the language that he used:

> As regards technical education, it is worth remembering that this grant, although it is late in coming, is the outcome of a policy which the government of Sir Wilfrid Laurier took up some years ago, when we appointed a technical education commission which made a tour of the world and gathered information, upon which they made a most valuable report. It is sometimes made a matter of complaint against the government of a later day that they pigeon-holed that report and did nothing Well, the government is doing something now, and I would rather have them do it in this way than do nothing at all. When the government of Sir Wilfrid Laurier appointed that commission, headed by Professor Robertson and including a number of able men, we certainly created the impression that in some degree the

matter was a Dominion one, and I look upon this movement as a belated endeavour on the part of the government to carry out the intentions which the Liberal government had in mind when they appointed that commission.

Such was the opinion of a very eminent member of the government of my right hon. friend the leader of the opposition, a gentleman whom my right hon. friend has quoted once or twice in his address to-day as an authority of very great eminence.

The attitude of my right hon. friend the leader of the opposition, as I said, has been consistent on this question. Speaking in this house in 1929 he took the same position that he did to-day. In 1929 the matter came up on a bill to renew the grant which at that time had expired, and my right hon. friend the leader of the opposition said on that occasion, as reported at page 162 of Hansard for 1929:

> There was no thought at the outset that the federal government would be called upon to go further than simply to supply the information to the provinces which would enable them to develop their educational systems along lines of industrial training and technical education.

Evidently that was not the view of the late Mr. Fielding, who was a member of the government that appointed that commission, nor was it the view of Mr. Fielding in this house in 1919 when the bill providing a grant of $10,000,000 was passed. But Mr. Fielding was a staunch supporter of the bill and of the principle.

Mr. EULER: It is conceded, and I made the point a moment ago, that education comes within the purview of the province. What good reason is given for departing from that principle? That is what I should like to know.

Mr. GUTHRIE: The easiest way for me to answer that question, I think, is to refer my hon. friend to a very elaborate speech I made on the constitutional point twenty-five years ago.

Mr. MACKENZIE KING: I think my hon. friend will find in the report of the royal commission to which he has referred that there is there printed an exchange of correspondence between the federal government and the governments of the different provinces. The premiers of the various provinces were approached before the federal government instituted the commission, with respect to what its powers should be, and my recollection is, and I think it will be borne out by the correspondence, that they agreed that no exception could be taken to the federal parliament having information gathered on any subject, but that the commission could not go beyond that, that its duty was to gather information and place the information at the disposal of the provinces. That was the intention of the commission at the outset. I recognize that in 1919 the government of the day went much further than was contemplated by the government that appointed the commission—

Mr. GUTHRIE: Not according to Mr. Fielding.

Mr. MACKENZIE KING: Mr. Fielding undoubtedly, from what my hon. friend has quoted, said that the action of the government in 1919 grew out of the measures initiated by the Liberal administration but I am sure that the correspondence will bear me out when I say that when appointments of this commission received the sanction of parliament it was with the distinct understanding that its task began and ended with the gathering of information and the making of a report which should be placed at the disposal of the provinces.

Motion agreed to and the house went into committee, Mr. MacDonald (Cape Breton) in the chair.

Mr. MACKENZIE KING: I do not wish to oppose this resolution in committee. I wish however to make it understood that I should like to reserve my right, when the bill is before the house, possibly to make an amendment in accordance with the tenor of my remarks.

Resolution reported, read the second time and concurred in. Mr. Guthrie thereupon moved for leave to introduce Bill No. 53, for the promotion of vocational education in Canada.

Motion agreed to and bill read the first time.

SOLDIER SETTLEMENT ACT

Hon. W. A. GORDON (Minister of Immigration and Colonization) moved the second reading of Bill No. 41, to amend the Soldier Settlement Act.

Hon. CHARLES STEWART (Edmonton): I understand that this bill contains only one provision, the purpose of which is to change the personnel of the board and to appoint a commissioner. Probably the minister would make a short explanation of the bill.

Mr. GORDON: The bill has for its purpose the abolition of the present board which now consists of a chairman and two members. The intention is to substitute for the board

a single individual who, it is suggested, should be called the director of soldier settlement. The reason for the amendment to the Soldier Settlement Act of 1919 contemplated by this bill is that at the present time the board is not acquiring any further land. The work of the board in a great measure has decreased but there has not been any corresponding decrease in the administrative staff. At the present time the head office is at Ottawa, and by reason of having three commissioners on the board nine separate branches are necessary at the head office. Each branch performs work of a similar character, and a great deal of overlapping takes place. With a single director there will be an immediate saving of administrative expense in connection with the board alone of about $26,000. Under the leadership of a single director there will be required only three branches at the head office, namely, the accounts branch, the agricultural branch and the estates and securities branch. The other districts throughout Canada will be made to conform to the organization at the head office, and the total yearly administrative expense will be reduced. I believe the result will be greater efficiency in the administration of the affairs of the board, and a reduction in cost of over a quarter of a million dollars. I am convinced that this reorganization should take place, and that greater efficiency would be the result.

Mr. STEWART (Edmonton): Is it the intention of the government to confer more power, so far as accounting is concerned, upon district inspectors, or as heretofore, will the accounting all be done in the offices in Ottawa? I believe the minister mentioned some powers which would be transferred.

Mr. GORDON: There will be no additional powers conferred upon those in the field.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. MacDonald (Cape Breton) in the chair.

On section 1—"Board."

Mr. BEAUBIEN: May I ask a question before section 1 is carried. In the reorganization I suppose there will be a complete reorganization of the soldier settlement board. Is it a fact that the whole staff will be reorganized?

Mr. GORDON: Yes, that would occur in the course of reorganization.

Mr. BEAUBIEN: Will any of the services received by settlers be curtailed?

Mr. GORDON: No; no services will be curtailed. After the reorganization is completed the services contemplated by the statute will probably be of a more efficient character.

Section agreed to.

On section 2—Commissioner of the board.

Mr. ELLIOTT: I notice the commissioner of the board means the director of soldier settlement under this section, while under section 1, "board" means the director of soldier settlement. Is there not some inconsistency between the two sections?

Mr. GORDON: The reason the commissioner of the board is interpreted to mean the director of soldier settlement is because there are a number of places in the act of 1919, which is being amended, where certain powers of the board are delegated to a commissioner of the board, as for instance in sections 55 and 56. In order to vest in the director of soldier settlement all the authority the board had, acting as a board, and all the authority of the board acting through one of its members, it was necessary to insert that clause in the interpretation of this amending bill, making the commissioner and the board mean the director.

Mr. ELLIOTT: But under section 1 "board" means the director of soldier settlement. Is there not an inconsistency between the two? In one case "director" means the whole board, and in the next section it means the commissioner, which I assume to be only part of the board.

Mr. GORDON: Let me try to make that clear. Section 3 of the Soldier Settlement Act of 1919 provided:

> The soldier settlement board, as constituted pursuant to the former act. . . .

That was the act of 1917.

> . . . . shall continue to consist of three commissioners, each to hold office during good behaviour, but to be removable by the governor in council at any time for cause and to become ineligible upon attaining seventy years of age.

In order to substitute the director of soldier settlement for the board as contemplated by the law, section 1 is inserted. Then I turn to section 56 of the act being amended, which is a good illustration of why the further interpretation was given. Section 56 reads:

> Any commissioner of the board, or any officer or employee of the board authorized, specifically or generally, in writing, by a commissioner of the board . . . .

The amendment contemplates that the director shall not only have all the powers and

privileges of the board acting as such, but also those of any commissioner of the board to whom the board might delegate power. The board has the right to delegate its powers under the act, in certain circumstances, to one of themselves, and the amendment has in contemplation that all those powers and privileges now shall be vested in the one director of soldier settlement.

Mr. SPEAKMAN: Will the full power at present vested in the board be turned over to this director? The board really functions as two separate bodies, though with the same personnel. The one body deals with soldier settlement matters, while the other deals with general land settlement matters. Under that branch comes the three thousand family scheme, for example and various other branches of settlement. I notice in the act this official is referred to as the director of soldier settlement only. I wonder if the dual functions of the board will be vested in this new director, and if he will carry on the work of general land settlement as well as the soldier settlement work.

Mr. GORDON: The director of soldier settlement, by this bill, will be vested with the same powers heretofore possessed by the board or any commissioner of the board.

Mr. BOTHWELL: My question has reference to section 1, which has been declared carried. I understood the minister to state that according to the original act the soldier settlement board is described as consisting of a certain number of officials. Therefore in the first section should not the word "board" be changed to "soldier settlement board" as it relates to the director of soldier settlement?

Mr. GORDON: If my hon. friend will refer to the act of 1919 he will see that the word "board" is there interpreted to mean the Soldier Settlement Board of Canada. Subsection 1 of the amending act merely interprets the board to mean the director of soldier settlement, following exactly the same phraseology.

Section agreed to.

On section 3—Appointment of director.

Mr. STEWART (Edmonton): There are no changes here?

Mr. GORDON: None whatever. With respect to this section, after the bill was printed it was drawn to my attention that no provision had been made for the temporary appointment of a director in case of the absence of the director for a short period. It happens almost daily that documents have to be signed on behalf of the board, and I suggest that there be added as subsection 5 of section 3 the following:

In the absence of the director of soldier settlement, an officer named by the minister shall have the powers and perform the duties of such director.

Mr. CAHAN: I move the amendment.

Mr. STEWART (Edmonton): The director has not that power himself, I take it from the explanation of the minister. Of course there is just one director, while there were three members of the board previously, so I suppose it is necessary for the minister to have that power. I was going to suggest, however, that since the director is to be vested with all the powers possessed by the former board, he might have sufficient authority to name a substitute.

Mr. GORDON: This is only to provide for a substitute in case the director should become ill or be absent, for some reason, from his office. I do not know that I particularly want the responsibility, but it was suggested to me that following similar authority vested by other statutes, the minister should be given the right to appoint someone, probably in the office, to carry on the administrative work of the director during his absence.

Mr. CAHAN: The director might be taken ill suddenly and be quite incapable of appointing a substitute. The appointment might well be made by the minister who is administering the act at the time.

Mr. MACKENZIE (Vancouver): Has the minister the figures now as to the number of holdings abandoned during the last year, or would he rather discuss that matter on the estimates?

Mr. GORDON: I do not think I have that information before me.

Mr. SPEAKMAN: As a matter of fact I was just going to bring up the question of a substitute when the minister presented his amendment. From my own experience in connection with the board I know that from day to day there are situations continually arising which demand immediate executive action. I was going to ask what provision had been made to carry on during the temporary absence of the director, but I think this amendment meets that difficulty.

Mr. MACKENZIE KING: There is one clause with respect to the salary of the director of soldier settlement. All his functions

seem to be similar to those of a deputy minister. Is it the intention that there shall be any difference between the salary of the director and that paid to deputy ministers?

Mr. GORDON: If the government is able to procure the services of a very efficient man —and I trust we shall be able to do so either from the present staff or elsewhere—he will be adequately remunerated; but the question of salary has not been given consideration.

Mr. MACKENZIE KING: I agree with my hon. friend that there should be adequate remuneration. But in the public service it creates unrest if officials other than deputy ministers receive salaries higher than those paid to deputy ministers. I wanted to ascertain from my hon. friend whether by leaving the act in its present form, which gives the minister practically a free hand in fixing the salary, it is contemplated to go beyond the salary of a deputy minister, or whether he would give the committee the assurance that this official will not have, by virtue of his salary, a higher rank in the public service than that of deputy minister.

Mr. GORDON: It was never in my mind, nor do I think it is in the mind of the government, that the director should be placed higher in rank or salary than a deputy minister.

Mr. SPEAKMAN: Could the minister give an estimate of the number of employees in the central office here who may be retired in consequence of this change?

Mr. GORDON: At the present time there are three members of the board and a staff of thirteen at an annual cost of a little over $40,000. Under the proposed reorganization there will be one director and a staff of four at an annual cost of about $15,000. I have not the figures for the head office, because the reorganization has not been completed, but I can give information with respect to the staff generally. In August last the total staff numbered 526; since then a gradual reorganization has taken place. I thought it desirable not to make a sweeping reorganization at the beginning of winter, but all the staff knew that the reorganization would take place. As of May 26, 1931, the staff had been reduced from 526 to 393, with a reduction in administration expenses from $973,014 to $759,600. The reduction of the staff up to date is 133, and the annual saving amounts to $213,414. From the reports I am receiving I believe that the settlers are more content under the reorganized plan, which I hope will be completed in the course of a year.

Mr. SPEAKMAN: My question was hardly along the lines of the general reorganization; I may discuss that when the estimates are before the house. I wanted to know what the immediate effect of this change would be on the central office, and what number of officials might be retired in addition to the members of the board in consequence of the change.

Mr. GORDON: As a result of the abolition of the board, a staff of 31 will not be required at the head office; 27 of those have already been retired, and possibly 4 others, but I have not been advised as to the latter; that is, both directly and indirectly as the result of the substitution of one director for the original three.

Mr. SPEAKMAN: My question refers simply to this change as indicated in the act, not to the general administration.

Section as amended agreed to.

Sections 4 to 6 inclusive agreed to.

Bill reported.

SUPPLY—UNEMPLOYMENT

STATEMENT OF MR. NEILL ON MOTION OF MR. GUTHRIE, FOR THE MINISTER OF FINANCE

Hon. HUGH GUTHRIE for the Minister of Finance) moved that the house go into committee of supply.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I wish to take this opportunity once more to impress upon the government the urgent necessity of holding a conference with the provinces in connection with the subject of unemployment. I have brought this subject up several times already, and I would not bring it up again if it were not that in addition to the facts that I presented before there has since been a growing weight of circumstances, and also a very definite growth of public sentiment.

On the 31st of March I said:

> I believe that next winter the unemployment situation will be worse than it was last year.

Events are rapidly corroborating that statement. I also referred to the fact that a delegation had gone down from Nanaimo to Victoria asking the provincial government what they were going to do to relieve the situation in the coal mining area, which was then in a very bad condition. It has got worse since. I also mentioned that Premier Tolmie was going to come down to Ottawa to ask that $100,000 be granted to the city of Vancouver, without the city being asked to contribute on

a fifty-fifty basis, because they were out of money and in a desperate condition. Later, on May 7, I called the attention of the house to the unemployment situation as regards the logging industry, and also to the fact that two towns in British Columbia, which I named, had advertised that men were not to come to those places because there were already 600 men looking for work and unable to obtain it. I ended by impressing upon the government the need for an immediate conference with the provinces on the question of unemployment. Apropos of this, the following headline appears in the evening papers to-day:

Winnipeg Jobless Wreck Labour-Saving Machine

That shows what men will do when they are desperate. We will go across the continent, beginning with Winnipeg. The following appeared recently:

Hon. W. R. Clubb, Minister of Public Works, is on his way to Ottawa to urge the Dominion government to continue direct unemployed relief during the summer months.

It will be noticed that that refers to the summer months. Before we were discussing winter relief, but we have to face an immediate situation. The report continues:

He will also ask for a readjustment of the basis upon which the relief has been granted.

We come next to Vancouver, where the following was published:

Expenditures of the city relief department in the first four months of this year amounted to $290,403, which is $27,103 more than the sum estimated for the period.

The report continues:

Estimates and expenditures are as follows:

For April:

April, estimate, $43,700; expenditure, $56,545.

That is a month when ordinarily there would be little or no relief required. The report continues:

The relief officer drew the committee's attention to the "continued serious condition of unemployment in the city." Instead of the usual seasonal improvement in April he said there appears to have been a decrease in the number of men employed in Vancouver. Dominion reports, he said, show a decrease of almost 1,700 workers in that period.

These conditions, said the officer, are reflected in the department's records; and since April 1 married unemployed cases have increased to 1,346, an advance of 269. This total, he said, is greater than any in the past winter.

Note that. The report continues:

The city has already drawn this situation to the attention of the federal and provincial governments, remarking that the city cannot adequately cope with it. Acknowledgment of the letter was received, but no further progress has been made.

[Mr. Neill.]

Hence the necessity for bringing this matter before the house. The report continues:

"The present situation shows that the council's forecast was only too correct," states Colonel Cooper. "The city's inability to cope with the situation is even more pronounced than on March 28. I would, therefore, recommend that the strongest possible representations be made, in order to convince the governments of the need for prompt and effective action."

Then we have the mayor of Vancouver, a man of some repute, reported in Winnipeg as follows:

Admitting a national responsibility, Premier Bennett should call the governments of the four western provinces and the mayors of the larger cities to an unemployment conference, Mayor L. D. Taylor of Vancouver stated in an interview here last night. If Premier Bennett refuses to call such a conference, Mayor Taylor declared that he and Mayor R. H. Webb, of Winnipeg would themselves take the responsibility of calling this meeting early in July at either Edmonton or Calgary, whichever city was most convenient for those taking part.

The report continues:

The unemployment situation in western Canada, he told Mr. Bennett, was likely to remain acute "for at least another year," and everybody should recognize it as a national emergency, he declared, and act accordingly.

The city of Vancouver, he told Mr. Bennett, was willing to care for its own. But last winter it had had 10,000 unemployed single men who are non-residents to feed and house. In fifteen months the city had paid $1,000,000 for emergency relief. It could not shoulder this burden for another year.

We should have an adequate program of public works to be carried on throughout the west. This is the belief of Mayor Taylor of Vancouver and of Mayor Webb of Winnipeg, the latter being a well-known friend of the government of the day. The next report comes from Saanich, a semi-rural and semi-urban municipality on Vancouver island, and reads as follows:

The problem of unemployment will be much more serious next winter than it was last year.

Then we come to Nanaimo. I received the following telegram from the president of the board of trade of Nanaimo:

Local conditions very serious. Seven hundred eighty men out employment in this district. City Nanaimo near end of its resources. Council, board trade and merchants met Hon. Bruhn, Minister of Public Works last night. Minister fully understands seriousness situation due to non-operation coal mines and realizes that immediate action necessary but cannot take any steps alleviate situation until federal government decide what proportion inevitable burden they are going assume.

I brought that matter up in the house yesterday and received the usual stereotyped reply that if something else happened some-

thing else would happen; that it was a "purely provincial matter", and "that if it is found that the municipal and provincial authorities cannot relieve the situation, there is no doubt that proper steps will be taken, and taken without delay, by this government, to assist." The government has been told time and again that this situation exists. The word of a minister of the crown in the province of British Columbia should not be treated lightly when he says the condition requires alleviation. A report in this connection reads as follows:

The Hon. R. W. Bruhn, Minister of Public Works in the provincial government, paid a visit to the city yesterday, and last night in the city hall, met a large delegation consisting of members of the city council, members of the Retail Merchants' Association, and members of the board of trade.

The chairman stated that there was no immediate hope or prospect of any improvement in the situation, and asked the assistance of the government. The city, he said, had done what it could, and was still prepared to do what it could, but the government would have to find relief for these men out of work. The report continues:

Mr. Bruhn explained that he was quite familiar with the facts of the situation, and realized that something would have to be done and at once. The provincial government was prepared to do its part, but was seeking the cooperation of the federal government. He had sent telegrams to Ottawa but had as yet received no definite reply upon which action could be taken. He could promise nothing until the return of Premier Tolmie, and he could not see that the province could undertake any further relief work until the federal government promised to do its share.

I suggest that some kind of political tracer be sent out to locate this Hon. Mr. Tolmie, because he seems to be lost. Where is our wandering boy to-night? He is not here and he does not appear to be there; he does not appear to be anywhere when he is urgently needed. If he is a requisite necessity in the program, by all means let us get hold of him at any cost. Another local man of good standing reported that the situation is appalling because of the coal mines having been shut down. The same situation obtains at Cumberland—which is in my district and in which I am naturally most interested—where one of the mines have been shut down. They have appealed to the government but have been informed that nothing can be done until some remote and distant period. We now come to Victoria where the Hon. W. A. McKenzie, who is I understand the chairman of the government committee dealing with unemployment, is reported on March 12 as having said:

A national conference on unemployment to be held at the earliest possible date, and to line up plans for handling unemployment relief next winter, was urged in a government statement by Hon. W. A. McKenzie, Minister of Labour.

"Now is the time to shape these preparations and the sooner a conference, national in scope, is called, the better," Mr. McKenzie said.

"What we should do at this time of the year, when unemployment is least serious, is to consider as a nation what we should and what we can do to relieve unemployment in the slack winter months. There is no use putting our heads in the sand like ostriches, as if no unemployment problem would face us again. We look for improving conditions and believe the improvement has set in, but it will be the worst kind of folly to make no plans this summer for meeting an unemployment situation next winter. Let us face this issue and line up definite programs which can be put into prompt and efficient operation if and when the necessity arises."

That is from Victoria, the head of the government, and at least one of the prominent men in it. That is the situation. We find these four cities in British Columbia, and also the city of Winnipeg, which is a very large one, asking not only for some action for next winter but for immediate relief and for the calling of a conference at once. They do not want it next winter or next fall; they want it now, and they say so at length. More than that, they say that some definite allotment of the money will have to be arranged. The cities are not now able to put up 50 per cent of the cost, and it is no use disguising that fact. In British Columbia we are limited by law to a certain amount that we can borrow in proportion to our assessment rolls. Many of the cities have reached that point and they cannot legally borrow more. Where are they to find the money? That situation has to be faced between the provinces and the Dominion, and the sooner it is faced, the better.

There is another thing that will have to be attended to. For example, in the little town in which I live the provincial government, in my opinion, imposed upon us a condition not required by the federal regulations. The undertaking was that we should pay 50 per cent of the cost of the relief work, the province 25 per cent and the Dominion 25 per cent. What did the province do? I cannot find it in any regulation made by this government, and the regulations were printed and distributed. We were compelled to put up all the cost of the material. If we built a sidewalk, we had to put up the whole of the cost of the lumber and we were given only 50 per cent of the labour cost. I cannot find any provision of this kind in the act. I cannot say that this was graft, because it was not graft in the sense of somebody making money by it, but it was a gross injustice to the smaller towns, and I hope when we are discussing the sub-

ject of the distribution of more money, we shall be protected. I warned the government at the time that they should keep the control in their own hands, and then they would be responsible. Very little complaint can be made against this government in connection with the way the money was handled, because they gave it to the provinces, and then when we come with our complaints, they say, as I predicted they would: It is the provinces that are handling the money; we cannot control them. In some cases the Dominion officials acted promptly when a complaint was made to them for the purpose of investigation, but it was the provinces who used the money unfairly and politically.

Mr. GORDON: Has the hon. member any instances he can give?

Mr. NEILL: Yes, if the house will give me another forty minutes.

Mr. GORDON: Will the hon. member give me them now or afterwards?

Mr. NEILL: I cannot do so now; but I am quite willing to come to the minister's office and give him the details. I am sorry I have not time to go into them now. There are instances like this: If you go into the matter, they will not say: This is politics. Of course not. They will say: Tom Jones was refused relief because he did not own any land in the district; and then they will say: Bill Smith was denied relief because he had land and therefore did not need relief. That was the way it was done. They do not say: This man voted wrongly; he is not going to get a job.

Mr. ARTHURS: Was that done by the municipalities?

Mr. NEILL: No, the municipalities ran things fairly. This was outside of the municipalities in what is known as unorganized territory and it was done by the province. In the municipalities it was run all right, because they comprised men on both sides of politics. The municipalities did it fairly and squarely; I have not a thing to say against their conduct.

My suggestion is that the conference should be held now, for two reasons: first, to deal with the immediate distress, the distress that is now existing in some parts of the country; and, second, to formulate some scheme to handle the relief that will undoubtedly be needed next winter, and vote the necessary funds. It may be said that it is useless to have this conference now as regards next winter; that we can have it after the house has prorogued. If we wait until parliament prorogues, where are we going to get the money next winter?—because it will be not $20,000,000 but $30,000,000 that will be required. Assuming, however, that $20,000,000 will be required, and parliament prorogues without voting it, where are we to get the money? The obvious answer of course will be by governor general's warrant. But the government could not take that position, because that is the very opposite of the position they took last year. It was thrown up to me time and again in the election that I was not in favour of holding an immediate sitting of the house to vote money for relief. I said that this could be done by governor general's warrant, and this was made the subject of an attack upon me. Surely we cannot conclude that the government will now turn around and do the very thing they rejected last year. If they do so they would be admitting that the session held last September was needless and a wasteful expense. Where is the money to be found if it is not voted before parliament prorogues?

Those are the two reasons on which I base my demand, without any political aspect to the matter at all. A further reason why we should have the conference now while the house is sitting is that it would have the advantage of the presence in Ottawa of able men—whether they belong to one party or the other, it matters not—from the various provinces, who could give the local information needed. For these reasons I wish to impress upon the government the necessity of an immediate conference, in order to give immediate assistance, in order to arrange for a winter program, and in order to have the money voted while we are here to vote it.

Hon. PETER HEENAN (Kenora-Rainy River): The hon. member for Comox-Alberni (Mr. Neill) when he has to bring this matter up on the motion to go into supply, has evidently despaired of getting any satisfactory answer from the government with respect to their attitude on unemployment. During this session some attempts have been made, but without much success, to ascertain the attitude of the government. I can recall at the moment the hon. member for North Winnipeg (Mr. Heaps) asking several times what the government proposed to do with respect to unemployment, but he received no reply. In fact, instead of an answer there was a show of complete indifference with respect to the question. When on one occasion I tried to discuss the subject in the house there was a report in the press to the effect that 6,000 unemployed had paraded in Winnipeg. At

that time the house ruled against me; it decided that this was not a question of national importance.

To what the hon. member for Comox-Alberni has said I can add by saying that I have a knowledge of what has transpired in my own district. In the towns of Kenora and Fort Frances there are hundreds of unemployed, although those towns are not very large centres. Moreover, we have the spectacle of the provincial government appropriating only $5,000,000 for highway construction this year, whereas last year, just prior to the election, they appropriated $10,000,000. We have endeavoured to elicit from the federal government some indication of what they are going to do in connection with highway construction as was promised by them during the election, but we have not succeeded in getting it. The hon. member for Comox-Alberni, therefore, is quite justified in bringing the matter up on the motion to go into supply, not, as I understand it, as a vote of lack of confidence in the government, but to try to ascertain just what the government proposes to do with respect to this question.

Mr. NEILL: I did not move an amendment.

Mr. HEENAN: That is what I said. I said that I understood the hon. member did not move an amendment. It is difficult to find out where under the procedure we can discuss these matters. The other day, along with other members, I endeavoured to discover where we could discuss the question of the national highway which was promised by the Prime Minister, and we were told that because there was no item in the estimates, we could not discuss it. I should like to find out from the government what they propose to do in the matter. I am interested more particularly in my own riding at the moment, but as unemployment prevails in all parts of the country I should like to know what the government's policy is. Surely there is enough evidence that we have unemployment in this country. I have on my desk now a clipping showing that six young men were fined at Alexandria the other day because, being unemployed, they had not sufficient money to pay their poll tax. I take it for granted that the six young men all voted for the Conservative party at the last election to give the government a chance to carry out its pledge to the electors to end unemployment, yet we find ten months after the government is returned to power that these six men are fined because, owing to their being unemployed, they cannot raise $5 to pay their poll tax. I hope they will know how to vote next time.

I have here an editorial from the Alberta Labour News of May 23 last. I shall not read it as it is quite lengthy, but the editorial pictures the hundreds of men who are out of employment in Edmonton, and concludes with this paragraph:

> The men who are eating the porridge are sleeping in box cars, in any old vacant shed, in the lee of a building, anywhere. Why should Edmonton refuse to do what Calgary has done, in providing a bed and one substantial meal a day for the unemployed, in addition to the operation of the porridge kitchen?

Surely the hon. gentleman who represents the Minister of Labour in this house needs no further evidence that unemployment prevails throughout the country. Yet when the government was asked a question regarding unemployment the other day by the hon. member for Comox-Alberni, their answer was this:

> The situation referred to by the hon. member for Comox-Alberni (Mr. Neill) is, as no doubt the house understands, purely a provincial matter.

I cannot understand, Mr. Speaker, how it has become a provincial matter when it was a national matter during the campaign. The answer goes on to say:

> If it is found that the municipal and provincial authorities cannot relieve the situation, there is no doubt that proper steps will be taken, and taken without delay, by this government, to assist.

Hon. members will perhaps recall the answer that was given to me when I was Minister of Labour when I suggested that this was a provincial and a municipal obligation. The minister in his answer, which I have just quoted, says that "proper steps will be taken by the government, and taken without delay, to assist." What I, and I am sure the house too, would like to know is, what are the proper steps to be taken by the government, and when are they going to be taken? How long will the unemployed be allowed to remain in their present condition before the government of Canada make a positive declaration as to what they propose to do in the matter? We have evidence that the municipalities are not going on with different public works because they want to know what assistance they are going to receive from the province, and we have the provinces, in turn, withholding action until they find out what the Dominion government is going to do. The question that is now raised by my hon. friend from Comox-Alberni is, as I understand it, what is the Dominion government going to do, and when are they going to do it?

This government, let me remind the house, was elected on a definite pledge to end unemployment. Up to the present time, since the government has come into office, unemployment has increased rather than decreased. After the government gave that pledge to the electors to end unemployment, and assumed the responsibility of office, after their declaration that unemployment relief was not a provincial or municipal obligation, but a national obligation, why are they now simply waiting, sitting in their seats, and not telling the house and the country what attitude they are going to take with respect to unemployment? I had always thought that unemployment relief was a question for the municipalities and the provinces. In that regard I followed the lead of the ex-premier of Ontario, Mr. Howard Ferguson, who invariably declined to look upon it as other than a municipal obligation. We have sufficient evidence of that. Then in 1921 we had the Conservative government passing an order in council which began by stating that the unemployment question was a provincial and a municipal responsibility. When the Conservative party appealed to the electors in 1930 they declared that this was not a provincial or a municipal responsibility at all, but a federal responsibility. But the very first act of the new government, at the special session last September, was to bring in a bill which on the face of it declared that the question was a municipal and a provincial one.

Unemployment is undoubtedly on the increase. We have the government's own statistics to prove that. There is suffering all over the country. The hon. member for Comox-Alberni has told us quite plainly of the suffering entailed in some parts of the country. I have spoken of the suffering in northern Ontario, where delegations have gone down from some of the towns to Toronto to interview the provincial government. I might mention the town of Sturgeon Falls, the town of Espanola. In my own town of Kenora and in Fort Frances, the pulp mills are working about only one month out of the whole twelve. And mind you, that is because of the attitude of the provincial government. The provincial government has agreements with these industrial concerns which obligates them to work ten months in each and every year, yet for some reason or other they have released these concerns from their obligation as contained in those agreements, so I think the provincial government must assume some responsibility to the citizens of that part of the country.

[Mr. Heenan.]

But apart from all that, the federal Conservative party is undoubtedly on record as declaring to the electors of this country that if they were elected in 1930 they would take upon themselves the responsibility of curing unemployment as a national problem. Yet only the other day the minister stated on the floor of this house, in answer to a question from the hon. member for Comox-Alberni, that undoubtedly, as no doubt the house understood, this was a provincial and a municipal responsibility.

I was struck with the argument of my right hon. leader this afternoon when he pointed out that wherever there is a division of authority, with one party passing the buck to someone else, we never get anywhere. Today we find provinces that will not inaugurate old age pensons, believing that it is a federal responsibility. Because the federal government first of all contributed 50 per cent of the old age pensions, some of the provinces now want the federal government to contribute 100 per cent. But the worst feature of all is this, that we find provincial governments, like the government of Ontario, for instance, refusing to go on with provincial undertakings unless the federal government contributes a proportion of the cost. That is a position which they never took before.

The question which has been brought up by my hon. friend from Comox-Alberni is deserving of an answer from the government. So far as I am concerned I consider that the federal government should do what they promised to do—take the responsibility of finding employment for the workpeople of Canada, of dealing with the unemployed, and of bringing in a system of unemployment insurance in order to take care of our workpeople when unemployed.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I should like to add a few words to what has been said by the hon. member for Comox-Alberni (Mr. Neill) concerning the unemployment situation in British Columbia and particularly in regard to the city of Vancouver. Yesterday I received a communication from the relief officer for the city of Vancouver outlining conditions of unemployment in that city. I can assure you that knowing the situation which existed there last year and having before me the figures he has forwarded to me, the situation at the present time is much worse than it was a year ago.

I have before me a letter which was addressed by an official of the city of Vancouver to the Hon. W. A. McKenzie, Minister of Labour in the provincial legislature, part of which I should like to read. The information the letter contains will give an indication of the serious conditions existing in Vancouver. It says:

Sir:

I have the honour to inform you that at a meeting held on March 28th, the Vancouver city council considered the question of recommendations regarding the unemployment problem, following interviews between your committee and city representatives on March 24th and 25th.

It was decided to place before the provincial government the following facts regarding the situation in Vancouver:

Employed on relief work under the Unemployment Relief Act, 1930, are 2,200 married men.

On direct unemployment relief are 1,111 families, an increase of 385 since March 1st.

Hon. members will note that this letter indicates an increase while, in ordinary years, we would expect at this time of the year a decrease in the number of unemployed. The letter continues:

Single men on direct unemployment relief number 1,800.

Regarding the immediate future, the completion of projects under the Unemployment Relief Act, and the exhaustion of the funds which the city has been able to raise to match the governmental contribution, will cause a steady increase in the number of married men on direct relief. The relief works will probably be completed about April 30th.

It is understood that the government appropriation for direct relief will be exhausted about April 24th. It is estimated that on that date there will be in the city, eligible for relief, at least 1,600 married men and 1,500 single men, and by May 15th, two weeks before the expiration of the present Unemployment Relief Act, there will probably be at least 2,000 married men and 1,000 single men, or in other words, approximately 11,000 people to be provided with the necessities of life.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

SECOND READING

Bill No. 52, to amend the Board of Management of the Canadian District of the Evangelical Lutheran Joint Synod of Ohio and other states, and to change its name to the Board of Management of the Canadian District of the American Lutheran Church—Mr. Gershaw.

22110—126½

CRIMINAL CODE AMENDMENT

NATURE OF SPEECHES ON PUBLIC AFFAIRS TO DETERMINE UNLAWFUL ASSEMBLY

The house resumed from Tuesday, May 5, consideration of the motion of Mr. Woodsworth for the second reading of Bill No. 19, to amend the criminal code.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, in the absence of the hon. member for Winnipeg North Centre (Mr. Woodsworth) I should like to say a few words in support of this bill.

The hon. member for Winnipeg North Centre, in bringing forward this amendment, made certain references to what had taken place in certain cities of this dominion in reference to free assembly and free speech, with particular reference to the city of Toronto. It is very difficult to deal with this amendment without knowing really what occurred in that city.

It has been suggested by some who are opposing the amendment that there is a section of the criminal code having to do with unlawful assembly which is quite sufficient as it now stands. I am almost inclined to believe that is quite correct, but the difficulty we find here is that the police commissioners in many cities suspend, as it were, the criminal code as far as unlawful assembly is concerned and make rules and regulations of their own to cover the circumstances of the case. The code, as I see it, lays down that the gathering itself and what is said at the gathering must be the criterion for a conclusion as to whether or not the assembly is unlawful. However, unless a meeting is allowed to take place I cannot see how it possibly can be said to be an unlawful assembly. There is a provision in the code itself for preventing gatherings under certain conditions—section 99—and the procedure is by proclamation of the governor in council. If it is intended, therefore, that any authority should set aside any section of the criminal code, that action should be done in the same manner, by proclamation of the governor in council.

As to what really was intended in the city of Toronto I should like again to draw attention to a quotation made by the hon. member for Winnipeg North Centre in this connection. I refer to a letter from Colonel Biggar, formerly chief electoral officer. Before a person can qualify as a candidate during a federal election there are very strict regulations with which he must comply. Having done so he has fulfilled the law and is entitled to stand

as a candidate for election to the Dominion parliament, and it is taken for granted, I believe, that he is entitled to express his opinion on the public platform at least in the constituency in which he is standing for election. In Toronto this right was interfered with. The quotation I wish to give from Colonel Biggar's letter is as follows:

> The real question raised by these and Mr. Cohen's present letter is the question whether in Toronto the police are enforcing the law or are persecuting persons who hold opinions of which they disapprove, by the confiscation of printed matter found in their possession, by physical violence, by the misuse of licensing powers, and by threat of the institution of criminal proceedings for which there is no foundation.

I am not quite sure whether the amendment will help clarify the section in reference to unlawful assembly in order to cover a case of this kind, but I rather think this Dominion was fortunate in having a man like Colonel Biggar as chief electoral officer. He drew the attention of the police of the city of Toronto to what they could and could not do in connection with preventing the gathering of people who did not hold the same views as they held.

The hon. member for York-Sunbury (Mr. Hanson), in opposing this bill said as follows, at page 1277 of Hansard:

> I submit to you, sir, and to the hon. members of this house, that the law as it now stands is perfectly clear and needs no clarifying, and further, that the privileges of any honest citizen in this country are to-day amply safeguarded under the existing provisions of the criminal code.

It seems that according to the police in Toronto, an honest citizen is anyone who holds the same opinions held by the police commissioners, and consequently it follows that all the others are dishonest. I understand that the hon. member for Bow River (Mr. Garland) was asked to address the Canadian Club in Toronto. At the same time he was asked to address another association, the Fellowship of Reconciliation. He was allowed to address the Canadian Club, but the other association could not get a hall in which to hold its meeting. I take it that not only were the privileges of this association interfered with, but that the privileges of the hon. member for Bow River were also interfered with.

Mr. GEARY: Will the hon. member tell me who interfered with the privileges of the hon. member for Bow River?

Mr. MacINNIS: The police commission of the city of Toronto.

[Mr. MacInnis.]

Mr. GEARY: Does the hon. member know that? Probably he has heard somebody tell somebody else that somebody said so.

Mr. MacINNIS: Well, let us say I heard the hon. member for Bow River say so. Would that not be sufficient knowledge?

Mr. GEARY: The hon. member is here, and he will not say so.

Mr. MacINNIS: Anyone who has knowledge to the contrary may say so, but in the meantime I think my statement stands.

Mr. PECK: What was the nature of the interference?

Mr. MacINNIS: They could not get a hall in which to meet. That is the point I wish to make; the privileges of citizens are being interfered with. Later on, the hon. member for Northumberland, N.B. (Mr. McDade), speaking against the amendment, questioned the right of the hon. member for Winnipeg North Centre and the hon. member for North Winnipeg to speak for what he called that large section of the community known as the labour element. I do not think the member for Winnipeg North Centre put forward the amendment in the interest of any class, but rather in the interest of what we always used to term the British institutions of free assembly and free speech. The hon. member for Northumberland, N.B., referred to two other citizens from his province and said:

> I would far rather take the advice and counsel of such outstanding labour men in the province of New Brunswick as Mr. John S. Martin, former Labour member of the legislative assembly at Fredericton, or of Mr. Stanley S. Fleiger, of the town of Chatham, than that of my hon. friends opposite. The men I have mentioned, I submit, represent true Canadian labour; their judgment is sound and their capacity is unquestioned.

I think those of us who know both the member for Winnipeg North Centre and the member for North Winnipeg will agree that their views are sound, and that at least, with the exception of one other, they are the only representatives that labour definitely has in this house.

An hon. MEMBER: Oh, no.

Mr. MacINNIS: However, I am going to read parts of a letter received from Mr. John S. Martin, one of the persons mentioned by the hon. member for Northumberland, to show that he and other Labour men in New Brunswick agree with the position taken by the hon. member for Winnipeg North Centre.

The letter is dated May 14, 1931, is addressed to Mr. J. S. Woodsworth and, in part, is as follows:

The reason for this letter arose from the debate in the house on Tuesday, May 6, re your amendment to the Criminal Code. My name as well as the name of a particular friend of mine, Stanley Fleiger, was mentioned by the member for our county, Northumberland. His remarks might lead you to believe that he was authorized to use our names and that he was further authorized to speak for Labour. Such is not the case.

I am a vice-president of the New Brunswick Federation of Labour for the northern section of the province and you have my support in the bill you presented as well as in any other efforts you put forward in behalf of the workers notwithstanding what any party politician may have said in the past or may say in the future.

The fact that my name was brought into the debate only came to my attention to-day. I immediately 'phoned the president of the New Brunswick Federation of Labour, Mr. Eugene Steeves of Moncton, and was informed by him that your amendment to the Criminal Code has his hearty support. So you are now aware that you had a right to speak for Labour in the province of New Brunswick as well as other sections of Canada. . . .

Now, sir, what I have said re your right to speak for Labour in this section is endorsed by Stanley Fleiger, the other name mentioned by Mr. McDade.

You are at liberty to use, if you so desire, anything that I have written in this letter in part or whole, and if at any time you should want information on any matter in this section I will be pleased to assist in any way I can.

I am sure that if at any time you pay a visit to this province I will be very glad to make arrangements so that you can meet the people whom you represent.

John S. Martin.

Now, I do not think that letter should leave any doubt in the minds of anyone as to whom the member for Winnipeg North Centre is representing not only in his own constituency but in various other parts of the Dominion. As I said before, the amendment will help to clarify the section in regard to unlawful assembly. But what, I think, is needed more than anything else is someone in authority who will inform the police commissioners in our various cities that they cannot at their will and pleasure thrust aside the laws of this land and make regulations to suit their own purposes.

Mr. E. J. GARLAND (Bow River): Mr Speaker, it seems to me a strange thing that if you happen to be of some particular church persuasion or of some well-known political affiliation freedom of speech is accorded you almost without any restriction, but if you happen to be the member of a labour party or one of the independent groups that freedom of speech is sometimes criticized and it is suggested that it would be better if you were put under a ban. Fortunately most of us do not live in a city so convinced of its own righteousness as the city of Toronto. In most parts of this country we are, comparatively speaking, free to express our viewpoint upon conditions and upon affairs that are before the public for consideration. But it seems that in the city of Toronto you endanger almost your liberty—yes, you do endanger your liberty if you express any radical views on almost any matter whatever. At the same time you will find men like Mr. Beatty going up there and giving expression to a thought on the cancellation of war debts and getting away with it; but if we even here in the House of Commons suggested the cancellation of war debts—as we did in 1923—we are assailed both by hon. members and by the press as being unpatriotic, as being quite disloyal citizens and unworthy of the positions that we hold. Words to exactly that effect were used about us when we did make that recommendation. I looked with interest to the Mail and Empire, the Orange Sentinel, the Globe and one or two other strange publications from that city in order to find some criticism of Mr. Beatty's radical utterance, but there was only praise for a statesmanlike pronouncement of a policy that should have been expressed long ago!

Some years ago I clipped from the Manitoba Free Press a paragraph which at that time interested me enormously. I found that in Winnipeg at any rate one could express himself with the utmost freedom, one could urge sedition, one could say, for example, that no great social or economic change had ever been accomplished in any nation of the world without revolution, without overthrowing constituted authority,—and all this, if you please, at a meeting of some society for the celebration of St. George's day. Let me give the house an idea of what some people can get away with, but what, economic students or those who are considering the actual conditions that face the common people and trying to propose remedies for them must not speak—at least in Toronto, with its police force under the commissionership of a gentleman who has no more understanding of economics or the effect of them on the people than perhaps have some hon. gentlemen in this house.

Mr. FACTOR: If the hon. member will permit me? Has anybody ever stopped my hon. friend from addressing the Canadian club in Toronto?

Mr. GARLAND (Bow River): No. You see, the Canadian club there is a respectable body,

and I must say it is also a very hospitable body and a very attentive body—and apparently a very intelligent body even for Toronto.

Mr. JACOBS: Did the hon. member make any converts there?

Mr. GARLAND (Bow River): I doubt it very much. However, there is always hope, because it is not so many years since the hon. member himself would hardly have said the same things that he is quite willing to say to-day—at least after dinner. Mr. R. B. Graham, K.C., a fairly well known gentleman—

An hon. MEMBER: A magistrate.

Mr. GARLAND (Bow River): Yes, I am informed he is a magistrate now. He was proposing the toast to "England" before the Royal St. George society. The hon. member for Toronto West Centre (Mr. Factor) will appreciate that it is all right before audiences of this kind to say quite violent things, but one must not say them at labour meetings; that is altogether improper. Let me read this clipping:

> The occasion was the annual St. George's night dinner of the society over which the president, Jackson Dodds, O.B.E., presided as chairman.

I understand that Mr. Jackson Dodds is also a very respectable man. He is, I think, the president or vice president of the bankers' association, or something like that.

> Music was furnished during and after the dinner—

So you see they stayed while the speeches were being made.

> —by the regimental band of Princess Patricia's Canadian Light Infantry—

And by one or two other gentlemen who contributed solos. The address delivered by this gentleman in the presence of these august and representative Canadian citizens was in the following terms:

> No nation ever became truly great save by successful sedition and revolution. The lamp and the torch and the tumult have overcome tyranny. The signature of King John was placed to the Magna Charta, wrenched from him by the nobles; revolution led King Charles to the block; the corn law riots—these were crimes against the law and seditions, but no one hangs his head in shame because of them. "Liberty, equality, fraternity," were no mere catchwords as in the French revolution, but the expression of the earnest striving for the substance that lies behind the words.

I submit that if any member of the Labour party in this house used words of that kind in Toronto he would be put in gaol. It was riots which brought about these improvements of economic conditions and, as I believe the hon. member for Winnipeg North Centre has said already, it may require riots to bring some indication of appreciation of conditions to hon. members of this house, particularly on the government side. We have an illustration appearing in the newspapers. Fifteen hundred men applied for a job in Winnipeg which had been advertised as requiring one hundred men. Fourteen hundred men were disappointed, and what did they do? There was a riot and they broke up the machines. The only thing which relieves such pressure is the possibility on the part of the people concerned of discussing their problems. Continue the policy of the suppression of free speech and as surely as I am standing here you will drive underground and make stronger the forces antagonistic to society, as has been evidenced here. One of the finest outlets for this pressure is to have some form of safety valve such as is found in freedom of discussion.

Mr. LAVERGNE: Did these men have a trial?

Mr. GARLAND (Bow River): If my hon. friend the Deputy Speaker (Mr. LaVergne), who is so bitter in matters relating to labour problems, free speech, and the socialization of conditions as we have them to-day, would be more tolerant and less like Toronto, his utterances in this country would be restored to their old virility.

Mr. LAVERGNE: The hon. member must be mistaken, because I am in favour of the bill. I was just wanting to know whether these men had had a trial in Toronto.

Mr. GARLAND (Bow River): Whether they were tried in Toronto?

Mr. LAVERGNE: Yes.

Mr. GARLAND (Bow River): No.

Mr. LAVERGNE: How could they have been arrested and not have had a trial?

Mr. GARLAND (Bow River): These men were not arrested at all. I am giving an illustration of how you can get away with it if you are a "respectable" person appearing before a "respectable" audience, but if you happen to be a labour man addressing a labour audience, particularly in Toronto, you would be put behind the bars for using the very words employed in this instance. I am satisfied that if the inward thoughts, and sometimes the privately uttered thoughts, of many of the hon. members of this house on

both sides were made public, in Toronto, the hon. members concerned would be in danger of being put in gaol.

The purpose of the hon. member in introducing this amendment is to make it clear to police commissions and to the cities that Canada intends to pursue the old British ideal of free speech and liberty to express one's thoughts so long as they do not urge armed revolution or direct action at the moment. Permission is to be given to people to endeavour to convert others to their philosophy, whether it be the Russian philosophy, to which my hon. friend takes objection, or a philosophy atheistic in character so long as it is not calculated to be a breach of the peace. Free speech should be permitted in this country.

Mr. LAVERGNE: Is there not a statute in Ontario—there is one in Quebec—under which any meeting could be made legal?

Mr. GARLAND (Bow River): I am not a lawyer and I have not had time to look into all the statutes. I only know the facts. A respectable body of citizens in the city of Toronto—the city has gone to extremes in this respect—composed of such well known and splendid characters as Doctor Salem Bland, Rabbi Eisendrath and others, was prevented from securing a suitable hall in which to hold a meeting. This organization, known as the Fellowship of Reconciliation, was compelled to cancel its meeting.

Mr. LAVERGNE: How could they be prevented?

Mr. GARLAND (Bow River): They were prevented.

Mr. LAVERGNE: No one is obliged to rent a hall.

Mr. GARLAND (Bow River): From his last statement it would seem the hon. gentleman has not been listening to this debate with the same care evidenced by others. I think the hon. gentleman who preceded me, the introducer of the amendment (Mr. Woodsworth), pointed out that by devious methods the police commission of Toronto revoked the licences of the owners or renters of the halls in which it was intended to have meetings of this or other organizations.

Mr. LAVERGNE: There must be a redress in law somewhere.

Mr. GARLAND (Bow River): It may be found that the police commission of Toronto broke the law in taking this action, but they took it.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I intend to say only a sentence or two in support of the principle of the bill introduced by the hon. member for Winnipeg North Centre (Mr. Woodsworth). It happens that I am one of the people who were refused permission to speak in a hall in the city of Toronto, although at almost the same time I addressed different clubs in that city. The difficulty occurred when the Fellowship of Reconciliation attempted to rent a hall in which to have a public meeting to be addressed by me. I should like to think I was a dangerous person if that term means one who attempts to undo many of the things now existent in Canada. If that term means one who would assist to decentralize finance, for instance, then I should be glad to think I were a dangerous person. However, it might be considered as being conceited to think so, and I do not consider myself as such yet. I was refused the right to address a public meeting.

However, that is not the thought which persuaded me to make a few remarks in support of this bill. Whatever dangers there may be in free speech, and I suppose there are some, they are small indeed as compared to the dangers of the prohibition of free speech. I have always found, and I think other hon. members have had the same experience, that if people utter thoughts which are foolish, while a few people may believe them, in the long run they do not win out. It is sound common sense which wins in the end. I stand for free speech and the right of free assembly. If things are said at these assemblies which would constitute a breach of the peace, the law can take its course and the offenders can be put where they may change or it is to be hoped they will change their minds.

I do not like to say it, but apparently there are hon. members in this house, and there certainly are people in the city of Toronto who think that communistic gatherings and propaganda can be stopped by prohibiting the right of assembly and free speech. That is utter nonsense. Communistic tendencies can be stopped by a return to prosperity, if anyone knows how to bring that about. People who are comfortable are not interested in communistic doctrines; it is the people who are uncomfortable who listen to such talk. The method adopted by the police commission of Toronto was an exceedingly foolish one. Ever since the person at the head of that commission took over his duties there has been one constant turmoil. He may have brought about one sort of peace, but he has

created a great deal of disorder in so doing. Apparently he was a man who was out to command, and he wanted everyone else to obey. I think the interference with free speech and assembly is being carried altogether too far. To my great surprise I found that even the liberal-minded city of Montreal had been following the lead given by Toronto, a thing I would never have suspected it of. Even on the prairies which one thinks of as the home of what radical thought we have in Canada, there has been a tendency to follow the lead given by the police commissioners of Toronto. So it is in protest against this that I say that I am most heartily in support of the bill of the hon. member for Winnipeg North Centre (Mr. Woodsworth).

Mr. A. A. HEAPS (North Winnipeg): After all the things that have been said about the city of Toronto, I feel almost like coming to its defence. I was one of those who, like the previous speaker, had great difficulty in finding a place to hold a meeting. The reason I wish to say a word or two in defence of Toronto is because the day I arrived in that city I found that in one of the leading theatres a play written by none other than George Bernard Shaw, was being produced. When I saw that play, which is purely socialistic in its philosophy, produced by an English company, I was rather surprised that the police commission of Toronto had overlooked the fact. Evidently there is still some idea of allowing something in the way of free speech in that city.

Mr. RINFRET: What was the name of the play?

Mr. HEAPS: The Apple Cart. I was very agreeably surprised when I went into the theatre to see sitting not far from me a gentleman who no doubt has something to do with the suppression of free speech in Toronto. I refer to Sir William Mulock. Moreover, sitting in one of the boxes, enjoying the socialistic philosophy of George Bernard Shaw, was none other than the Lieutenant-Governor of Ontario.

Mr. POULIOT: Did they seem to be enjoying themselves?

Mr. HEAPS: So far as I could make out they seemed to be enjoying the play. So I want to say that in the city of Toronto both the humble and the rich can enjoy something in the way of free speech.

The question has been asked in the house, particularly by the hon. member for South Toronto (Mr. Geary) as to who prevented the obtaining of a hall in which to speak, or at least the inference was that there was no interference by the police of Toronto in connection with the hiring of halls. I think in this instance the hon. member is not quite as fair as he usually is in regard to matters that come before the house.

Mr. GEARY: Is the hon. member aware of the fact that the Labour Temple, which is controlled by the Labour movement, refused to allow a meeting of this nature to be held there?

Mr. HEAPS: There is a difference between the owners of a hall of their own free will refusing to rent a hall for a meeting, and the chief of police or his representative going down to the owner of a hall and threatening him if a meeting is to be held there.

Mr. GEARY: That was not done.

Mr. VALLANCE: During the time the hon. member was in the theatre, was he the guest of one of the Toronto members?

Mr. HEAPS: I certainly was. May I say in answer to the hon. member for South Toronto (Mr. Geary) that I will give him an incident with which I was personally connected. I was asked to speak at a certain hall in Toronto and before the hall was allowed to be used, the police went down to the hall and threatened the owners that if it was used for a meeting at which I was to speak, they would suffer as a consequence. In addition to that, when they defied the police and held the meeting in the hall, policemen actually came there to see what was going on, whether it was a peaceable meeting, I suppose, or otherwise. Strange as it may appear, when the police arrived at the hall where the meeting was taking place, the gentleman who happened to be speaking that night was none other than Controller Simpson of Toronto. I do not know who was more surprised, the police when they walked in and saw Controller Simpson, who was speaking, or Controller Simpson who was on the platform and saw the police walk in. I have been informed by people who have tried to obtain public halls for meetings of the Labour group, or the Independent group or those who think along our lines, that it is impossible to hire a hall in Toronto on account of the intimidation of the police force of that city. When I spoke there not long ago in the Labour Temple, I was told that before they held the meeting they attempted to get a bigger hall than the Labour Temple, but they were not able to get it for the very reasons I have mentioned.

Mr. POULIOT: Is the city of Toronto not the holy city of modern times?

Mr. HEAPS: I do not know. I know of only one city where I can see the holy cross lit up in the evening, and that is the good city of Montreal.

We have, however, found the same form of intimidation taking place in other cities. I wish to say a word or two in reference to the bill itself. I do not know whether the bill as drafted by the hon. member for Winnipeg North Centre will altogether meet the situation. It is quite possible that in spite of what is stated in the bill, the police commission of any city may still have the power to prevent a meeting from taking place. I contend that no police officer or commission should have the right to prevent the holding of a meeting which is in its intent peaceful, which is called for the purpose of discussing public questions. This is what has happened in Toronto and possibly in other cities. I understand, although I have not the actual wording before me, that there is some difference between the wording of our criminal code and that of Great Britain in reference to unlawful assemblies. In our code there are certain words which give power to the authorities to prevent meetings from being held if those authorities in their own minds believe such meetings will likely lead to breach of the peace.

Mr. HANSON (Skeena): British tradition has always held to the right of free speech.

Mr. HEAPS: The British tradition of free speech is well known to every hon. member. I was referring to the law in Great Britain and the law in this country. There is some difference in the wording in our law as compared with that of Great Britain. I think, however, the amendment moved by the hon. member for Winnipeg North Centre will be an improvement on what we have at the present time. It may to a certain extent take away from the police some of the powers which they have been using in the way of preventing the free expression of thought in Toronto as well as in other parts of Canada. For that reason I wish to support the bill as introduced by my colleague.

Mr. SAMUEL FACTOR (Toronto West Centre): I really did not intend to speak on this question, but I feel that the reputation of Toronto is at stake and I thought as the Toronto representation on this side is numerically small, hon. members opposite would rise to the occasion and defend the fair name of that city. I understand the hon. member for South Toronto (Mr. Geary) did carry out that duty fairly well the last time the bill was before the house.

In the first place I should like to make this general observation that so far as the internal administration of the police department is concerned, we have in Toronto a very efficient chief of police. Crime is at its lowest ebb in Toronto, and that city is no haven of refuge for any criminal. A great deal of the credit for this is due to the chief of police, and to the fact that there is a very efficient board of police commissioners. I do think, however, in all seriousness that the chief of police and the police commission made a very serious error on the question of free speech, in the first place in assuming that the communists in Toronto are a considerable force. I recall speaking to one of the communists before the election, and he told me that the communist party, which consists of about seven individuals, more or less, could not have got the same amount of publicity that they got by reason of the actions of the Toronto police if they had paid thousands of dollars for it. I really believe that the chief of police and the police commission of Toronto are not in touch with the feelings of the great mass of the people on this question. May I assure you, Mr. Speaker, that I am not a communist myself, although perhaps communism as an economic theory may be a proper subject for debate even in this house. Certainly I am not in favour of the adoption of methods of force to advance any theory. I want to assure the hon. member for Vancouver South (Mr. MacInnis), who has cited some correspondence that passed between the chief electoral officer and the communist candidate in Toronto West Centre, who obtained two hundred odd votes in the last election, that I spoke in the same manner as the hon. member himself tried to speak. I attended different meetings and the police never tried to stop me from speaking in the last campaign, nor do I think they tried to stop the gentleman who represented the communist party when he was discussing questions of policy or the economic theories that he held. Only when he attempted to abuse and slander the police force of Toronto was he stopped, and I think rightly stopped, by the police.

The police commission, I think, also made a very serious error in adopting a policy of intimidating the owners of various halls and public buildings. The fact is—I must admit it even if I do come from Toronto—that there is difficulty in renting a hall for any man who wants to express ideas in Toronto that are not shared by the majority of the

people of that city—ideas that may be considered advanced or radical. I know that the answer of the police is that the owners of the halls are free to rent their halls if they like, but the difficulty is that the chief of police sends around his emissaries to warn the owners that if they do not refrain from renting the hall to men who the police think will advance such ideas, the licence for the coming year will not be renewed, and I presume it is only human nature for any owner of a hall not to rent it after a diplomatic and tactful hint of that kind from the police.

I think that the city of Toronto has got an unenviable reputation by reason of the actions of the police in this matter during the last year or eighteen months. I do not think that the amendment offered by the hon. member for Winnipeg North Centre will cure the situation at all. As a matter of fact the first part of this amendment, that "nothing in this section shall restrict or interfere with the right of all persons peacefully to assemble for the purpose of discussing or hearing any discussion upon any matter of public interest" is the law now. Anyone in Toronto can discuss any matter of public interest if he keeps within the law. Of course the difficulty that is created by the authorities in Toronto is due to their interpretation of what is within the law; in other words, the police authorities assume that because a person is notorious as a radical or holds advanced ideas, anything he might say will not be within the law; and that is where the trouble comes in. But under the law as it stands now, any matter of public interest can be discussed in this country, including the city of Toronto.

The rest of the section, which leaves it to "firm and reasonable persons" to decide what is likely to cause an immediate breach of the peace is a rather curious piece of proposed legislation, in my humble opinion because, in the first place, a "firm and reasonable person," if there be such, is not defined, and before this firm and reasonable person will be able to define what is likely to cause an immediate breach of the peace the breach will be committed, and then there will be no need for any definition. I really believe that the amendment offered will not cure the situation at all. I think that the fault lay entirely with our police commission, and that the time is soon coming when the entire functions of the police commission will perhaps have to be changed. The personnel of the police commission is changing or soon will change, and with that change I think that the police force of the city of Toronto, including the chief of police, will assume a reasonable attitude and frame of mind on this question. I do not think that there is anything wrong with the law as it stands, so far as even the city of Toronto is concerned. I believe that the police force in Toronto misinterpreted the law with the result that a handful of communists received a lot of publicity, and with the further result that a great number of people such as the hon. gentlemen in the group to my left were refused permission to speak in the city. I do not know whether that was harmful to the country or not, considering the number of speeches that I have heard in this house from the group to my left. I do want to say, however, that the gentlemen in the corner to my left certainly have no monopoly on political morality or political integrity or freedom of speech. It is unfortunate that some of these gentlemen came to Toronto and could not get a hall to speak in, but I want to assure them, in conclusion, that so far as the city of Toronto is concerned the majority of our people still believe in freedom of speech and still practise freedom of speech, and the time is soon coming when our police will assume a fair and reasonable attitude on this question.

Hon. FERNAND RINFRET (St. James): It appears from the discussion we have had on this bill that it is altogether misnamed. It is not an act to amend the criminal code regarding unlawful assemblies at large, but merely an act to amend the criminal code regarding unlawful assemblies in Toronto, and therefore I think that if the hon. gentlemen in the corner want to achieve their purpose they should amend the proposed subsection 4 by adding words which will make it read thus:

> Nothing in this section shall restrict or interfere with the right of all persons peacefully to assemble in Toronto for the purpose of discussing or hearing any discussion.

The latter part of the subsection should be amended to read as follows:

> Such persons when so assembled in Toronto shall not become an unlawful assembly unless firm and reasonable persons from outside Toronto decide otherwise.

Let me assure you, Mr. Speaker, that I do not rise to abuse the good city of Toronto, but rather to say a word in its favour, which is very unusual for a Liberal member, especially one coming from the province of Quebec. I may say, and this will be no news to many hon. members, that communist assemblies or meetings have also been prohibited in Montreal because in the past they have become unruly. Meetings were prevented because the speeches delivered had in such a way excited the audience that a veri-

table riot resulted. The speech had to be stopped or harm might have resulted. The trouble I find in the proposed legislation is that it is not so much a piece of legislation as a literary opinion on the subject of free speech. The bill is very vague in its terms. For instance, who is to decide when persons are peacefully assembled for the purpose of discussing any matter? Many people who appear to be peaceful at eight o'clock are not so peaceful at ten or half past ten. Such communistic speakers as my hon. friend from Winnipeg North Centre (Mr. Woodsworth) will rise and, in the most polished language to which one could listen, will make a speech which would lead one to believe that they were advocating peace, but if one listened for an hour or so he would find that the remarks had taken a different trend. I submit therefore, that if the hon. member has it in mind to promote the cause of free speech, he does not help it by the proposed section. Its terms are so vague that it seems to me still to leave to the discretion of the police the determination of the question whether or not an assembly is peaceful.

Then the expression is used: "in the opinion of firm and reasonable persons." In my opinion the wording should be more precise. By "firm and reasonable persons" does the hon. member refer to members of the Progressive party? Or does he refer to members of parties representing other sections of our population? In any case I repeat that discretion is left to that person to decide whether a meeting should or should not take place.

Certainly I stand for free speech, and on occasions when I am ruled against by Mr. Speaker, and more often by Mr. Deputy Speaker, I feel that nobody should interfere with my speech. At the same time I know from experience in the city of Montreal that some of the meetings which have been stopped should never have been started. I speak not necessarily from a communistic standpoint but from the standpoint of peace and the avoiding of trouble. I am afraid if this bill passes it will do nothing to alter present conditions. Because of the vagueness of its terms the question whether or not a meeting is peaceful, in the opinion of "firm and reasonable persons", is still left to the discretion of some person in authority. These are matters which cannot be determined by statute, but will always reside within the discretion of those charged with the maintenance of law and order not only in the city of Toronto but in every city of the Dominion.

Mr. WOODSWORTH: Mr. Speaker, I regret that the whole burden of this legislation should have fallen upon my—

Mr. SPEAKER: If the hon. member for Winnipeg North Centre speaks he will close the debate. I suggest that if other hon. members wish to speak they should do so now.

Mr. S. W. JACOBS (Cartier): Mr. Speaker, I ask your permission to cite the section of the law which the hon. member for Winnipeg North Centre (Mr. Woodsworth) wishes to include in the criminal code as an amendment to a section which already exists. The addition suggested is as follows:

> Nothing in this section shall restrict or interfere with the right of all persons peacefully to assemble for the purpose of discussing or hearing any discussion upon any matter of public interest, and such persons when so assembled shall not become an unlawful assembly merely by reason of speeches made to them or discussion carried on by them unless the general nature and character of such speeches or discussions would be likely, in the opinion of firm and reasonable persons, to cause an immediate breach of the peace.

I understand my hon. friend from Winnipeg North Centre is not a lawyer. Although undoubtedly he is actuated by the very best motives, I would suggest to him that the insertion of this section as a part of our law, instead of helping the cause which he so earnestly advocates, would set it back. He would be jumping from the frying pan into the fire. The question who would be a "firm and reasonable person" is a matter which would have to be decided by a jury. Lawyers do not often meet firm and reasonable persons.

Mr. McMILLAN: (Huron): Do firm and reasonable persons meet lawyers?

Mr. JACOBS: Perhaps my good friend from Winnipeg North Centre in his daily vocation meets firm and reasonable persons. I have no doubt he does. It is possible that this phrase has been suggested to him on the principle that "to the pure everything is pure." I would suggest to him that the bill is not properly drawn; it is not drawn according to the rules usually applied in cases of this kind. If I may judge from the earnest argument of my hon. friend from South Toronto (Mr. Geary) there is no interference with those who wish to avail themselves of the right of free speech. According to his statement anybody who has anything to say may go to Toronto and while there express his opinion freely. We are told that the

police and police commissioners sit or stand by, as the case may be, to gain general information. The newspapers however do not give the same account as that given by my hon. friend from Toronto. In the newspapers we have read for the last six months that people exercising the right of free speech have been molested in their attempt to disseminate their notions. For instance the hon. member for North Winnipeg (Mr. Heaps), as mild mannered a man as ever scuttled a ship or cut a throat—

Some hon. MEMBERS: Oh, oh.

Mr. JACOBS: —has been interfered with. My fair friend, the hon. member for Southeast Grey (Miss Macphail) was not allowed to lift her voice in the city of Toronto. To my mind the fact that she was not allowed to speak constituted a very ungallant act on the part of the police. When she is talking in the House of Commons and I am having my tea in my room I rush down to the chamber, regardless of my tea, and avail myself of the opportunity of listening to her. She always has something of interest to say, and she says it in a breezy manner not characteristic of all hon. members of the house. When the hon. member for Winnipeg North Centre delivers his daily—

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: The hour for the discussion of private and public bills having expired, the house will revert to the motion to go into supply.

SUPPLY—UNEMPLOYMENT

STATEMENT OF MR. NEILL ON MOTION OF MR. GUTHRIE FOR THE MINISTER OF FINANCE

The house resumed consideration of the statement of Mr. Neill on the motion of Mr. Guthrie (for the Minister of Finance) that the house go into committee of supply.

Mr. ANGUS MacINNIS (Vancouver South): When the house rose at six o'clock I was quoting from a letter sent by the city of Vancouver to the Minister of Labour for British Columbia. This letter was addressed to the Minister of Labour, Hon. W. A. McKenzie, and shows the very serious situation in regard to unemployment in the city of Vancouver. It says:

> To meet these cases there are no funds provided at present from any source, and as explained to your committee, the city's financial situation will not allow Vancouver to carry this burden. In fact, it will be most difficult for the city to carry on its ordinary relief to the indigent sick and aged. These facts constitute a situation most grave and serious. During the past winter the city has carried some thousands of unemployed who have drifted into Vancouver from other parts of Canada and British Columbia.

Then he goes on to say:

> The council trust that the governments will realize the most serious nature of the situation which now exists, and of the inability of the of the city to adequately cope with it, even on the present basis. The situation will be greatly aggravated upon the exhaustion of the government direct relief fund, about April 24. It is recognized that the problem is national in extent, and also that industry can be stimulated and encouraged by the Dominion and provincial governments only. It is therefore urged that these bodies establish immediate and effective means to deal with the situation as outlined herein.

This communication asks the provincial and federal governments to call a conference to discuss the unemployment situation throughout Canada, and it is dated March 31 of this year. I also have here a report from the relief officer to the relief committee under date of May 9, 1931, in which the following appears:

> I regret to have to place before you the continued serious condition of unemployment in this city. In place of the usual seasonal improvement during March there appears to have been an actual decrease in the number of workers employed in the city during the month. . . .
>
> These conditions were reflected in the figures and expenditures of the relief department. Since April 1st the married unemployed cases have increased by 269, and now total 1,346, a number larger than any shown during the past winter.

I ask hon. members of the house and of the government to take particular notice of this statement, that on April 1st the number of married unemployed on direct relief was 1,346, a larger number than any shown during the past winter. This was at a time when we were told conditions were improving, and when in the usual course of events we would have expected them to improve. The report continues:

> The aged and handicapped have also had greater difficulty in finding light and occasional work, and in obtaining assistance from their relatives. This fact has increased the number of people on general relief.

That is the general tendency during a long period of unemployment with the reduced wages now in effect in almost every industry and with the part time work, with the employees dividing up their work in order that more people may be kept employed, the workers are becoming increasingly impoverished

and it is more difficult to lend assistance to others who may be more unfortunate. I quote further:

The present situation shows that the council's forecast was only too correct. The city's inability to cope with the situation is even more pronounced to-day than on March 28th.

I would therefore recommend that the strongest possible representations be made in order to convince the governments of the need for prompt and effective action.

Last September, immediately after the general election, the government called a special session of parliament to deal with the situation, thus fulfilling a promise given during the election. At that session the 1930 Unemployment Relief Act was passed. There was some criticism of the way the money was expended under that act, but at this time I do not wish to offer any criticism of that kind. I believe the government, considering the short time at their disposal to formulate a policy, did the very best they possibly could under the circumstances, and I think they should receive—as I believe they have received—due credit for what they did. Now, however, we are facing a situation which is even more serious than that we were facing last September, and the government now have had considerable time to formulate a better policy to take care of unemployment. If something is not done in the very near future, then I feel not only that criticism will be in order but that we should be negligent in our duty if we refrained from offering it.

In connection with the 1930 unemployment relief fund, however, and the way it has affected and further complicated the situation, I should like to quote from a telegram I received from the Vancouver civic employees' union. This is a union of the outside workers of Vancouver, who were engaged in the work on which this money was spent. The telegram is addressed to myself, and is as follows:

I am instructed to advise you of the following resolution passed by the largest meeting of civic employees ever held in Vancouver:

Whereas the operation of the Unemployment Relief Act of 1930 has resulted in a large number of permanent civic employees being laid off on account of their work having been done by relief labour under the terms of the aforementioned act, which called upon the municipality to match dollar for dollar; and

Whereas many more will be laid off this summer as a direct result of said act, the money previously provided to keep them employed having been used for relief;

Be it resolved that this union strongly condemn this act and request you to bring the results as they apply to us to the notice of the government and if possible read this wire in the house, and also to request that relief moneys in the future be provided by the government on the basis of the number of unemployed in each locality and not on the basis of their ability to match dollar for dollar.

The position in which the permanent employees of the city of Vancouver find themselves at the present moment is that the funds usually provided to keep men employed during the year have been used in order to meet the funds granted by this government, and therefore these men are no longer employed. So the city not only has the ordinary unemployed to look after, but in addition there are six or seven hundred of their permanent staff for whom provision must be made.

I would urge upon the government, therefore, that they give immediate and serious consideration at least to the calling of a conference, if they have not something better with which to meet the situation, in order that we may have a full understanding of the seriousness of the unemployment conditions throughout this Dominion, and make provision for meeting them.

Mr. A. A. HEAPS (North Winnipeg): I had hoped that some member of the government would rise in his place and explain to the house and the country what action the government have in mind to cope with the very serious unemployment situation which prevails at the present time. There is no doubt whatever that even during these summer months there exists in Canada an unemployment situation the like of which I have never known at this time of year. Consequently there is need for immediate action of some kind on the part of the government, first of all to allow the municipalities to do something, to acquaint the provincial governments with any contemplated action, and also to give at least some hope to the thousands of men and women who find themselves out of work.

Already some hon. members who have spoken have dealt with the unemployment situation in their own localities, and perhaps, Mr. Speaker, I might give a picture of conditions as they existed in Winnipeg just a few weeks ago. It was shown according to the table I have under my hand, published by a committee of citizens, that in the greater Winnipeg area there were 18,893 persons out of work. These with their families represented a total of 56,682 people. In other words, probably more than twenty per cent of the total population of the greater Winnipeg area is out of work, and I believe most of them

are also in want. Coming down to what are the prospects, this committee reports as follows:

Other than the jobs which will be undertaken as relief projects, there is no prospect of employment increase in sight. The jobs which will be started as soon as weather permits will employ in suburban municipalities adjacent to Winnipeg, in the neighbourhood of 225 men.

The report proceeds:

The Winnipeg Citizens Committee on Unemployment, under the chairmanship of Mr. H. B. Shaw, addressed a letter to prominent persons at country points, enquiring as to the possibility of absorbing in agricultural pursuits the surplus labour in Winnipeg. Replies received were very pessimistic, and were generally to the effect that farmers would not be hiring men this season because of the general depression in the agricultural field, that farmers were satisfied that they would be unable to pay the wages of any men employed, and consequently that any crops put in would be put in by the farmer and his family.

Further on in the same report I find the following observation:

The committee has written a letter to every lumber firm that ordinarily operates in this vicinity, enquiring as to the employment prospects for the winter 1931-32, and the replies received would indicate that fewer men will be employed during the coming winter than were employed during the past winter. In other words, instead of eight or ten thousand men it may be expected that there will be fewer than eight hundred men taken from Winnipeg's surplus labour market.

The report is signed by H. B. Shaw, chairman, Winnipeg citizens' committee on unemployment; by Ralph Maybank, chairman, joint unemployment committee, city of Winnipeg; and by A. MacNamara, assistant deputy minister, and administrator of unemployment relief in Manitoba.

Only this morning I received a letter from the mayor of the city of Brandon, imploring me to do what I possibly could to assist him to obtain further relief for his city, and pointing out that there is a very serious unemployment situation in Brandon, and that they are in a position where they have great difficulty in coping with the large number of men out of work. He points out that the little work being carried out was being done by machinery and that very few men were actually employed.

It was pointed out in the report published by the Department of Labour that during the past winter, as a result of the special Unemployment Relief Act of 1930, 228,351 persons were given employment. It was also pointed out that almost 200,000 persons were in receipt of direct relief as a result of the operations of the act. My own computations on the figures published by the Labour department would indicate that during the past winter approximately 350,000 people were given assistance either through work or directly in the way of food, clothing and shelter. That will give the house some indication of the seriousness of the unemployment situation which prevails throughout the Dominion.

I do not think the government will for a moment say that they have not got a responsibility in this matter. I was rather surprised when yesterday I heard the hon. gentleman (Mr. Gordon) who represents in this house the Minister of Labour, in reply to a question by the hon. member for Comox-Alberni (Mr Neill) say that if the municipality and then the province could not deal with the situation the federal government would take action I had thought that by this time the federal government fully realized their responsibility and were prepared to take the initiative in coping with the existing situation. I appreciate the great difficulty that the government may have in attempting to find work for all those who are unemployed at the present time. I think it is well nigh impossible for the federal government and the provincial governments to provide anything like permanent employment for the vast numbers of the unemployed. But at the same time I am very anxious that the government let it be known what they intend to do in regard to the question, so that, as I said before, the unemployed, the municipalities and the provinces will at least know what is going to be done in the very near future.

I do not wish to enter into any long discussion as to why we have this unemployment situation. There is no doubt opportunities will present themselves as the session progresses to discuss it from that particular angle. However, we have been asked by hon. gentlemen opposite on so many occasions: What have we to suggest by way of coping with the existing difficulties? May I say to those hon. gentlemen that first of all the government have to admit one thing, that they have no remedies themselves for the unemployment problem. The moment we have that admission that these so-called remedies of tariff adjustments are no remedies at all, we are prepared to deal with the question and offer our suggestions.

I should like to point out that what we are suffering from to-day is not a lack of production. In fact according to government figures during the period from 1920 to 1928 individual productivity in the Dominion increased by approximately 53 per cent. Therefore if we are to find any remedies we have to go

outside the remedies already suggested and find some other means of dealing with the problem. To-day we are living in an age of high production and comparatively low consumption, and in some way we have to relate our purchasing power—in other words our ability to consume—to our productive capacity. Whilst we have learned to produce in superabundance, there has been no opportunity given to the workers to allow them to consume the goods which they themselves have produced.

As I said a few minutes ago, I had hoped that on this occasion the acting Minister of Labour or some other member of the government would have risen in his place and stated to the house and to the country at large what is proposed to cope with the situation. I know it may be said to us that we are a little impatient. If we of the Labour group in this house and others are a little impatient in attempting to find out what the government intend to do to cope with the unemployment situation, our only answer would be to the effect that to-day there are hundreds of thousands of people walking our streets, not knowing where they can obtain work or other relief or where their next meal is coming from. It was pointed out by my hon. friend from Bow River (Mr. Garland) a few moments ago when discussing another question, that only this morning in Winnipeg 1,500 men went down to try to obtain work where only 100 were wanted. Imagine the natural resentment of those people when they found a piece of modern machinery doing the work that ordinarily takes several hundred people to perform. The disappointment resulted in a little riot. No one wants to see these riots occur, but it is difficult to say what a desperate person will do when in a desperate situation.

In view of these circumstances I do not think we are asking anything unreasonable when we request the acting Minister of Labour or any other hon. member of the government to rise in his place and state to the unemployed people of this country, men who are good citizens and who have wives and children depending upon them, men who do not know what the morrow is going to bring forth, the intentions of the government.

Many of the municipalities are not in a position to provide work out of their own resources. That is another problem which the federal government will have to consider and consider very seriously. Many municipalities are almost on the verge of bankruptcy; they have very limited borrowing powers and very limited sources of revenue, and when we ask them to assume one-third of the cost of relief work in many instances we are putting a burden upon them which it is almost impossible for them to bear. I hope that in any proposal which the government submit to this house they do not ask the municipalities, and particulary those of western Canada, to assume one-third of the cost of relief work, the other two-thirds to be assumed by the provinces and by the federal government. This government should assume from 50 to 66⅔ per cent of the cost, and unless something of that nature is done I have grave doubts as to whether the municipalities will be in a position to undertake any active relief work. I sincerely hope that before this debate is concluded some member of the government will rise in his place and state what is the attitude of the government towards this question, which I believe to be the most important question to be faced by parliament.

Motion agreed to, and the house went into committee of supply, Mr. MacDonald (Cape Breton South) in the chair.

DEPARTMENT OF AGRICULTURE

Dairying, including grant of $5,000 to National Dairy Council, $295,000.

Mr. BROWN: Mr. Chairman, before we enter into a discussion of the details of these estimates I would like to have an opportunity of saying a few words in a general way, particularly as to the point of view from which we are to discuss these estimates. It will be recalled that on a former occasion, speaking to an amendment to the motion that the house go into supply. I quoted from a speech the Prime Minister had made at Woodstock in which he promised to put all the collective power of the government behind agriculture. It is from that point of view that I wish to discuss these estimates, to see just how far they fulfil that promise. In replying to me the Prime Minister referred to these estimates, and if I may be permitted, I will quote his remarks, as follows:

> What struck me as passing strange was that the hon. member for Lisgar should complain that someone in England was no longer to be continued in his position, although the estimates for agriculture contain a much larger sum than had been used heretofore for the very purposes he mentioned. Did he look at the estimates himself? Did he see what the provisions are for agriculture? Did he compare them with last year or the year before? Did he see evidences of the very earnest desire of the minister to put into effect the policy he advocates?

Not only by implication but by direct statement the Prime Minister gave the house to understand that these estimates represented the implementing of the promises he had made to put the collective powers of the government behind agriculture.

I want to remind the hon. Minister of Agriculture (Mr. Weir) that it is from that point of view that we intend to-night to discuss the question whether or not these estimates fulfil the promises made by the Prime Minister. That is what we are interested in. We are not interested in the educational qualifications or the former political affiliations of the minister, although we are somewhat interested in his present political affiliations. When the minister accepted the invitation of the Prime Minister to enter his cabinet he thereby accepted responsibility for the fulfilling of the pledges made by the Prime Minister during the election. If he has given any attention to the development of constitutional government in British countries he will know that under our doctrine of cabinet solidarity the ministers are individually and collectively responsible for the policies of the government. It is the consideration of that point of view that I want to urge upon the committee.

I should like to glance briefly at the estimates in general before we discuss them in detail. The Prime Minister pointed out that the increase in these estimates amounted to $414,564.64. There are seventeen items, six of which show increases and five of which show decreases. The largest increases are shown in the following items: experimental farms, an increase of $175,000; assistance to fairs and exhibitions, including the Royal Agricultural Winter Fair, an increase of $650,000; grant to the executive committee of the World's Grain Congress, an increase of $100,000. The increase in these three items totals $925,000, and yet the net increase in all the items amounts to only $414,564.64, showing that in some of the other important items there must be a considerable decrease. It will be a matter of interest to the committee if in the discussion of these estimates in detail the Minister of Agriculture can show us what has been done to implement the promise made by the Prime Minister in his speech at Woodstock that he would put the collective power of the government behind agriculture. That is all I wish to say at the moment. No doubt as the various estimates come before the committee, I shall have further remarks to make.

[Mr. Brown.]

Mr. YOUNG: I notice in this item No. 107 a $5,000 grant to the National Dairy Council. I am opposed to that grant. The National Dairy Council, I understand, was formed some years ago for the purpose of assisting dairy farmers on the road to prosperity. The original conception may have been all right, but the association was unfortunate in the choice of its officers. The direction of its affairs fell into the hands of men who were so barren of original ideas as to how to help the dairy farmer that they could think of nothing other than to persuade him to ask the government for higher duties on his products. So the National Dairy Council became nothing but an organization to propagate Tory doctrines, to lead the farmer to believe that in some way a higher duty on butter or other dairy products would be of benefit to him. They so far succeeded in their propaganda that they persuaded many farmers last summer to support the present government. They have been successful in getting from the present government the higher duties on dairy products; in fact they have got twice as much as they asked for. Now we know the result; now the farmer realizes that he has been led up a blind alley, that he has been deceived by this association which promised him better things if he would but vote for the Tory party and platform.

I am opposed on principle to the use of money out of the public treasury for the carrying on of political propaganda, I care not what party or policy it supports. The men who have been leaders of the National Dairy Council and, through that council, leaders of the farmers' movement, have proved themselves to be blind leaders of the blind. They are no longer worthy of the confidence of the farmers and we have no right to grant public money to them to carry on their propaganda. Therefore I move that the item be reduced by $5,000, being the amount of a grant to the National Dairy Council.

Hon. ROBERT WEIR (Minister of Agriculture): I think in going over these estimates hon. members will realize that except in respect to two or three particular lines I have made as few changes as possible from the estimates of other years. I felt that those who had been in office for a number of years would be in a better position, except where I had very definite reasons for making a change, to decide how money should be expended, than I would be with only a few months' experience. For years, I understand, this vote of $5,000 has been given to the

National Dairy Council in the belief that from the way it is constituted it was representative of the dairy interests and of the distributors. I can assure the hon, member who has just spoken that at the expiration of this financial year, if I do not feel that the National Dairy Council contributes something really worth while to the dairy industry, I shall be the first to see that this vote is left out. At the present time, however, in view of the statement I have made and the reasons I have for leaving it in, I feel that the vote should remain as it is.

Mr. GOTT: I would like to say to the Minister of Agriculture that one recommendation made by the National Dairy Council of Canada has meant thousands upon thousands of dollars to the onion growers of Essex county.

Some hon. MEMBERS: Oh, oh.

Mr. GOTT: Hon. gentlemen opposite laugh. That shows they have not the slightest conception of the onion industry in Canada. Let me tell them that last year we grew 23,000 acres of onions in Essex and Kent counties. Now let me hear them laugh. Whether I know my onions or not, I want to say this about the industry: two years ago United States onions came into Canada at a low rate of duty, and our farmers in the spring of the year were forced to dump several carloads of onions. A year ago, through the recommendation of the National Dairy Council of Canada, the Minister of National Revenue took occasion to protect onions, and last winter—

Mr. McMILLAN (Huron): I rise to a point of order. The hon. member is not discussing the item under consideration.

Mr. GOTT: I am discussing the item more closely than the hon. member ever discussed an item in his life. Last winter in Essex and Kent counties we sold 320,000 bags of onions, due to the fact that the National Dairy Council of Canada recommended to the government—

Mr. McMILLAN (Huron): I rise to a point of order.

Mr. GOTT: Just sit down for a moment.

The CHAIRMAN: I would ask the hon. member to resume his seat. A point of order is raised.

Mr. McMILLAN (Huron): The point of order is that the hon. member is not discussing the item before us.

Mr. GOTT: No other member gets further away from an item under discussion than the hon. member who has just raised the point of order. I am discussing the item of $5,000 appropriated for the National Dairy Council of Canada. Through their recommendation the onion growers of Essex and Kent counties last year moved and sold their onions, a thing which they had been unable to do during the previous year.

Mr. McMILLAN (Huron): Mr. Chairman, there is a point of order.

The CHAIRMAN: I understand the hon. member for South Essex is connecting his onions with the National Dairy Council. Otherwise he would not be in order.

Mr. GOTT: Since I have been in the house I have never seen the hon. member for South Huron in order. I realize it is my duty as the sitting member for Essex county to say to the Minister of Agriculture that the onion growers of Essex and Kent counties appreciate this $5,000 expenditure.

Mr. DUFF: There seems to be a dispute as to what this item covers. Will the minister tell us what the item of $295,000 was spent for last year? Then we shall find out whether the hon. member for South Essex or the hon. member for South Huron is in order.

Mr. WEIR (Melfort): Some of this vote will be spent in the administration of the branch, and the greater part of it in the payment of inspectors in different parts of the country, both butter inspectors and cheese inspectors.

Mr. VENIOT: Any onion inspectors?

Mr. WEIR (Melfort): Some of it will be spent on research work in the dairy industry, and some will be spent on advertising to encourage people in the use of milk and butter and dairy products in various forms.

Mr. CASGRAIN: How much money was spent in the province of Quebec for the cheese and butter inspectors, and where are they located?

Mr. WEIR (Melfort): In the city of Montreal we have seventeen dairy produce graders, and two in the province of Quebec other than Montreal.

Mr. CASGRAIN: What are the salaries of these inspectors?

Mr. WEIR (Melfort): In Montreal one receives $3,240, and there are fifteen at $2,760, and one grade 2 inspector at $2,580. The

travelling expenses for the Montreal officials amount to $2,000. For the province of Quebec other than Montreal we have one dairy produce grader, grade 2, at $2,760, another at $2,520, and travelling expenses $50.

Mr. CASGRAIN: Have any changes been made in this staff since the month of August last?

Mr. WEIR (Melfort): Not that I know of.

Mr. CASGRAIN: The same men are still there?

Mr. WEIR (Melfort): So far as I know.

Mr. VALLANCE: The minister has said that as few changes were made as possible, and he also stated in answer to the hon. member for Charlevoix-Saguenay that the salaries of the dairy produce graders are included in this vote of $295,000. In this connection I should like to invite the attention of the committee to an article that appeared in all the western papers in the form of a despatch from Ottawa dated May 8th last, dealing with the agricultural policy of this government. I think there will be no more propitious time than the present to quote from this article. I shall not read it all, because in the beginning it deals principally with the speech that was made by the Minister of Agriculture some time ago in this house. It says in part:

Ottawa, Ont., May 8.—Mr. Weir is of a nervous temperament and his friends were anxious over his first effort to address parliament. For weeks he had been subjected to sniping and the most cowardly attacks from such members as Donnelly of Willow Bunch, Vallance of North Battleford and Young of Weyburn, culminating in an offensive attack by Hon. W. R. Motherwell.

Some hon. MEMBERS: Hear, hear.

Mr. VALLANCE: Perhaps hon. gentlemen will say "hear, hear," before I get through. The article continues:

The former Minister of Agriculture never was noted for refinement, but in his references to Mr. Weir he was more coarse than ever before in methods and manners.

The new Minister of Agriculture caught the ear of the house from the start. He showed no mercy for Premier King or Mr. Motherwell or Saskatchewan Liberals. Mr. Weir was not only justified in his attack through the attitude of previous Liberal speakers, but he has a task as great almost as the Prime Minister's.

Perhaps hon. gentlemen will say, "hear, hear," now:

There never has been a department in Ottawa so incompetent, in such a state of inefficiency and disorganization as agriculture when W. R. Motherwell left it. The department was and still is inefficiently manned, permeated with intrigue, jealousies and incompetence. Mr. Motherwell gave no thought to agriculture.

[Mr. R. Weir.]

I read that for the benefit of the farmers of Canada.

He was a political minister. When exports fell off, he said in excuse the people at home were eating more. There was no attempt to grade beef, butter or similar products for export.

Then why this item of $295,000? I should like the minister to explain that. The article continues:

It was under these conditions that Mr. Weir took office. He had scarcely a competent official, and many were disloyal to him. He did not tell the whole story last night, but on his estimates parliament will receive further information on the decrepit department left by Mr. Motherwell.

We want to receive that information to-night. It goes on:

There will also be a further elaboration on Mr. Weir's new departures in agricultural production and marketing.

I have glanced through these estimates and I see no very radical changes from last year. I hope before the Minister of Agriculture gets through, and I do not suppose he will get through to-night, that he will either confirm or refute these statements that have permeated the west regarding the condition of the Department of Agriculture, because those of us who are deeply interested in agriculture do not believe they are true. I know a great many of the officials of the department and have met them on various committees, and I know that they are very competent and very efficient. I think they need more in the way of commendation than condemnation. I do not think it is fair either to the Minister of Agriculture or to his officials that these statements should be allowed to go out all over Canada unrefuted.

Mr. LAPOINTE: In what newspaper did they appear?

Mr. VALLANCE: In all the local papers. I was quoting from The Kerrobert Citizen of May 13.

Mr. MOTHERWELL: The hon. member for Weyburn has made the same remarks regarding the vote for the National Dairy Council as he did last year, and consequently is quite consistent in his attitude. If I am to be consistent with my attitude of that day I must oppose my hon. friend from Weyburn. I find myself in the first round favouring the attitude of the minister that this is a good vote, and so long as the National Dairy Council performs as good service as it has done in the past on behalf of dairying it will receive my support.

I would ask the minister if the total of $9,515,343.44, which appears in the column for 1930-31, includes the supplementaries voted early in the session.

Mr. WEIR (Melfort): No.

Mr. MOTHERWELL: As a rule the supplementaries that are passed at the beginning of the session are added to the old vote of last year because the expenditure was incurred last year. I think the minister is wrong; perhaps he may not have understood my question.

Mr. WEIR (Melfort): If the hon. gentleman means the supplementaries that were put through at the beginning of this session—

Mr. MOTHERWELL: Yes.

Mr. WEIR (Melfort): I understand that they are not included.

Mr. MOTHERWELL: They should be included. In that case there would be a less vote this year than last year.

Mr. WEIR (Melfort): A greater vote. The supplementary estimates voted at the beginning of this session, I am informed, are in addition to this.

Mr. MOTHERWELL: But they were spent last year.

Mr. WEIR (Melfort): They are in addition to what is here.

Mr. MOTHERWELL: In addition to this $9,515,343.44?

Mr. WEIR (Melfort): Yes.

Mr. MOTHERWELL: But that money was spent last year and consequently the vote for this year is just about $100,000 less than that of last year. Perhaps the hon. member has not done justice to himself. Undoubtedly his deputy knows what I am getting at. In the supplementary estimates passed at the beginning of each session to take care of expenditures already incurred, as in the case of the health of animals branch, for which there was an appropriation of $300,000, such sums are invariably added to the vote of the year in which the moneys were spent. However we will let the matter stand at present.

Mr. WEIR (Melfort): I think the hon. member is right. The supplementary vote at the beginning of this session is not included in the amount set out in the main estimates, so that as stated by the hon. member it will be considered as an expenditure of last year. The vote for last year will therefore be higher than it appears on the information before us.

Mr. MOTHERWELL: Yes, that is what I am trying to say. My hon. friend has produced an estimate, then, which is smaller than that of last year, rather than greater, as would appear from the main estimates. I think my hon. friend is wrong and has done himself an injustice. In order that he may settle the matter with his deputy I will not press it further at this time.

There is another matter which I wish to bring to the attention of hon. members. During the late election campaign the butter question was discussed everywhere, and to my mind the time has arrived for a review of the situation concerning that particular commodity. I shall not, however, go into the matter very extensively to-night. Hon. members opposite led the people to believe that because of the action of the Liberal government the dairy industry was on the toboggan. What is the proper yardstick by which to measure a dairy industry? Is it the amount of butter made, or the amount of cheese made? Is it any one of fifteen or twenty other dairy products? No; I suggest we should use the yardstick of the number of pounds of milk produced in a given year. To my mind that is the only proper measurement. It does not matter what the farmer converts the milk into. He may use it to produce any commodity he wishes, or any form which he can derive the greatest amount of money. I wonder if the minister has the data concerning the number of pounds of milk produced. If he has not, I may tell him that I have the figures before me. For the information of hon. members I shall give the committee a general survey of the milk production from 1922 to the present. I shall not attempt to be absolutely accurate, but will merely give the round figures. In 1922 nearly ten billions pounds of milk were produced from the dairy cows of Canada. In 1923, eleven billion pounds were produced; in 1924, twelve billion; in 1925, twelve billion, five hundred million; in 1926, thirteen billion; in 1927, fourteen billion; in 1928, fourteen billion; in 1929, fourteen billion. In the last two years there was a slight falling off in production, amounting to only a few million pounds. These figures show an increase of over four billion pounds or 40 per cent in the production of milk in Canada during the nine years of Liberal administration. That is a different story from the one told by hon. members opposite in the province of British Columbia and throughout the maritimes in the election campaign.

Mr. LAPOINTE: And in Quebec.

Mr. MOTHERWELL: The people would not listen to our story; we could not get it across. My hon. friends opposite were in the field twelve months ahead of us and they had been successful in filling the minds of the public with their views in the matter. At this date, after the election everybody seems to be satisfied with the result,—something which to my mind is most extraordinary.

Some hon. MEMBERS: Hear, hear.

Mr. MOTHERWELL: My hon. friends on this side of the house are quite satisfied, but I am not sure that my hon. friends opposite are satisfied. It would be quite natural, of course, if they were. The figures I have placed on record represent a 40 per cent increase in the production of milk in Canada. I wonder if the minister's figures agree with mine in this respect, because if they do the talk during the election campaign goes up the flue—there is nothing to it. Even in connection with butter the production became greater.

Mr. TUMMON: Is it a fact that about the year 1929 the figures concerning the production of milk in Canada were changed?

Mr. MOTHERWELL: I am not under examination, but if my hon. friend wishes to put me in—

Mr. TUMMON: I have asked whether the figures showing the total production of milk in Canada for the years 1927, 1928 and 1929 were changed just before the last election in order to produce the figures now placed on Hansard by the hon. member.

Mr. MOTHERWELL: The figures I have quoted are official and are those of the dairy branch based upon elaborate and expensive information supplied by the Dominion Bureau of Statistics. I think if the deputy minister has his figures before him he will find they tally with those I have given. Of course I expected hon. members to have an alibi, but I had expected a better one than that which has been given by the hon. member for South Hastings.

Mr. CHAIRMAN: Shall the amendment carry?

Mr. McINTOSH: Let us have the correct figures.

Mr. CASGRAIN: Let the minister answer for himself.

[Mr. Lapointe.]

Mr. TOTZKE: There is some doubt in the minds of hon. members on the other side concerning the figures given by the hon. member for Melville. I suggest that the Minister of Agriculture give us the figures.

The CHAIRMAN: There is an amendment before the committee, does the committee wish to dispose of it?

Some hon. MEMBERS: No.

Mr. CASGRAIN: We ought to have a statement from the minister so that we may find out whether the figures placed on record by the hon. member for Melville are correct.

Mr. WEIR (Melfort): We have now before us a statement of the figures showing the production of milk for the years mentioned. I do not think the effect of legislation by the present government to assist the dairy industry will be questioned, so far as butter is concerned, by any hon. member on either side. Had it not been for the tariff we placed on butter what would have been the effect on receipts of the dairy farmers of Canada?

Mr. TOTZKE: What difference would it have made?

Mr. YOUNG: What effect did it have?

Mr. WEIR (Melfort): At the time the present government came into power the prices of butter in Canada and the United States, London and Australia, were these: In Canada, 28 to 28.25 cents per pound; in the United States, 35.25 to 35.50 cents per pound.

Mr. DONNELLY: What date is that?

Mr. WEIR (Melfort): The beginning of August.

Mr. DONNELLY: Is that the wholesale price?

Mr. WEIR (Melfort): Yes, obtained from the Dominion Bureau of Statistics, and the prices are on the same basis for each country.

Mr. DONNELLY: At what points in Canada were those prices quoted?

Mr. YOUNG: Is the minister quoting the Montreal price or the New York price?

Mr. WEIR (Melfort): The information we have is the average price of butter as recognized by the Dominion Bureau of Statistics.

Mr. YOUNG: The average for all the countries?

The CHAIRMAN: Order.

Mr. WEIR (Melfort): When the present government came into power the price in Canada was 28 to 28.25 cents per pound. At the same time the price of butter in the United States was 35.25 to 35.50 cents per pound, and in London, 28.64 to 29.08. On March 17, 1931, the price of butter in Canada was higher than the price in the United States and six cents higher than Australian butter.

Mr. YOUNG: What are the figures?

Mr. WEIR (Melfort): On March 17, 1931, the price of butter in Canada was 31 cents a pound, and in the United States, 29·75; Australian butter in London, 25·6 to 25·82. It was estimated, from the number of pounds of butter produced in Canada, having regard to the difference between this price and the price that would have been paid on the same basis, that this has put into the pockets of the farmers of Canada $2,000,000.

Mr. DUFF: What is the price in Canada to-day?

Mr: WEIR (Melfort): No one regrets more than I do the rapid drop in the price of butter during a period of ten days, but the price of butter in Canada at the present time, due largely to some butter which is being shipped out—there are over 250,000 pounds on the ocean going to the old country—has risen from the low price on May 12 of 18·5 to 18·75 to a price to-day of 21 to 21·25, and the market is the firmest it has been since before the slide we all regret, which occurred some time ago.

Mr. MOTHERWELL: Will the minister tell the committee how long ago it was that the price of butter for export was as low as it is now? Was it before the war, or before the flood, or when was it?

Mr. WEIR (Melfort): The effect on the price of butter of the action of this government can be fairly arrived at only by a comparison with other countries on a London parity of the price of butter when we came into power and the price at the present time.

Mr. HANSON (York-Sunbury): Mr. Chairman—

Mr. MOTHERWELL: I agree with the hon. gentleman to some extent—

Mr. HANSON (York-Sunbury): I would like the floor for a moment; the hon. member for Melville cannot monopolize the discussion. I was on my feet first, and I claim the floor. I should like to ask the Minister of Agriculture if Canada is not to-day on an export basis for the first time in two years. Is it not also a fact that we did not make enough butter to satisfy our own domestic requirements before this government came into power, and that under the late Minister of Agriculture we were eating Australian butter right up here in the parliamentary restaurant?

Mr. VALLANCE: It is because people cannot buy the butter that we are on the export basis.

Mr. DONNELLY: At page 1361 of Hansard for this session I find that the Minister of Agriculture said:

> I am told by the dairy commissioner and by produce merchants that we have no Canadian butter sufficiently uniform as to grade to permit its being labelled and shipped to the old country as Canadian butter.

I wonder, if we are on an export basis, what has been done in order to get us on that basis. In the past has the butter not been properly graded and labelled? Have our inspectors and commissioners been neglecting their duty? What was wrong that Canada was not previously on this basis? Are we not able to make butter of good enough quality for export, or what?

Mr. WEIR (Melfort): One of the reasons why the butter is not uniform is the number of very small creameries, where it is almost impossible to get it absolutely uniform because of the size of the creamery. We have an advantage in the west and also in the east in our larger creameries in getting a uniform brand. My statement was this, that the butter as produced in Canada is not sufficiently uniform for a national trade mark of any kind. The butter which is being shipped, I understand, is being selected in Montreal as uniformly as possible, for shipment to the old land.

Mr. DONNELLY: What is the minister doing to see that it is made uniform? That is what I want to know.

Mr. WEIR (Melfort): Inspectors are carrying on the work and trying to encourage the smaller creameries to have their butter conform to the uniform standard we wish to have prevail.

Mr. BROWN: We are being told now that we are on an export basis, and that is the reason for the low price of butter.

Some hon. MEMBERS: No, no.

Mr. BROWN: What is the idea, then, of mentioning the fact?

Mr. HANSON (York-Sunbury): If I were a Presbyterian minister I would not talk like that.

Mr. BROWN: My understanding of the statement of the minister was that we were on an export basis, which accounted for the low price of butter. All I can say is that when it was proposed to raise the duty on butter, many of us who objected to that step took the position that while it might temporarily benefit the farmer, it could not ultimately do so and that as soon as we got on an export basis we would have to take the export price. The only event out of the ordinary is that the result has come about a little sooner than we anticipated.

Mr. COOTE: The farmer who is producing the cream is interested in the price of butter, but he is more interested in the price of butter fat. I have a letter here which I received to-day from my home town, in which my correspondent says that special cream sells for 20 cents at the creamery, and No. 1 churning cream at 16 cents. Based on these figures, he paid 30 cents a pound for creamery butter right where the butter is made. He says the creamery has an overrun of one-fifth, and based on the price of special cream—and all this is not special cream—that makes four cents. Then they charge the merchant five cents profit, and in turn he charges another five cents. This gives the farmer twenty cents as compensation for capital invested in land, buildings, feed, cattle, labour, bringing the cream to town and so on, while the creamery gets approximately nine cents and the merchant five cents, or a total of fourteen cents. If this pound of butter which my correspondent bought had been made from No. 1 cream instead of special cream on a basis of 16 cents per pound I think it would figure out in this way: Considering that one and one-sixth pounds of butter can be made from one pound of butter fat, this man would pay 35 cents for the one and one-sixth pounds of butter made from one pound of butter fat. Of course that would have to include the salt and water put in at the creamery. The farmer would get 16 cents for the pound of butter fat that went into the butter; the local merchant would get a profit of 5 cents, and that would leave 14 cents to the creamery. In other words, there would be a total of 19 cents to the creamery and the retailer, while 16 cents would go to the producer for the pound of butter fat.

The reason I am bringing these figures before the committee to-night is that I may ask the minister whether this vote of $295,000 for dairying can be used in some way to help the farmer get a larger share of what the people of Canada are paying for their butter. I think that is the real work before our dairy branch at the present time. It does not do the farmer much good to have the price of butter raised—if that were possible—if that increase is not reflected back to him in the price of cream. I should be very glad to have the minister give us some information in regard to this matter and tell us whether there is anything his department could do to see that the price received for butter fat more nearly approximates the price the people of Canada are paying for creamery butter.

Mr. SPEAKMAN: Just in confirmation of what the hon. member has said, I may say that I received a letter from one of the members of the Alberta house, a man with some intelligence and some knowledge of the country, who gave me a list of prices of various commodities. This letter was written on May 21. He says that butter fat had just fallen to a new low of 14 cents a pound for No. 1, which is 2 cents lower than the price mentioned. One of the most essential parts of the work that could be done by this branch of the Department of Agriculture would be to see if it is not possible to diminish the spread that exists between the price of butter fat on the one hand and of butter on the other. As has been said, it is not the price of butter that concerns the farmer, for nearly all the butter consumed to-day is made in the creameries; it is the price he receives from the creameries, and it is obvious that at 14 cents a pound for butter fat, even with the low price of feed, he cannot produce it at a profit.

Mr. WEIR (Melfort): The manufacture of butter by creameries is, I take it, a provincial matter. I assume that the figures quoted are for the production of butter from cooperative creameries.

Mr. YOUNG: The minister a minute ago gave us the prices quoted for butter on May 12 and to-day. Would he be kind enough to give us the corresponding figures for the United States and the United Kingdom on the same dates?

Mr. WEIR (Melfort): I have not those figures here.

Mr. COOTE: May I point out to the minister that the figures which I quoted refer to prices paid by the Burns Creamery at Nanton, not by a cooperative creamery. It seems to me that the Department of Agriculture might interest itself in such a ques-

tion, because after all there is no use increasing the production of butter fat unless the farmer can get a bigger share out of it than he is getting at the present time.

Mr. RINFRET: I noticed a moment ago, Mr. Chairman, that the hon. minister said nobody was more sorry than himself for the drop in butter prices. But he gave the excuse that the price of butter in Canada compares fairly well with the price in other countries, although in reply to a subsequent question from the member for Weyburn he was not able to quote exact figures. May I point out to the minister that his language is hardly consistent with the language of his friends during the last electoral campaign. The fact that he is sorry for the drop in the price of butter does not prevent the price from dropping, and his friends were very definite in their promise that if they were returned to power the price of butter would go up. I am afraid there are people in this country more sorry than the minister for the drop in the price of butter—those who voted for his friends on the strength of their definite promises that the price would go up. My hon. friend says that the butter prices in Canada compare very favourably with those prevailing in other countries. But the Conservative candidates would not admit that contention in July, 1930; they would not admit the least comparison to be made between Canada and other countries as regards practically every question then before the electorate, but particularly on the question of butter prices. I travelled a great deal during the last campaign and was not stopped by a rainstorm like my hon. friend the Minister of Railways. I was able to fulfil all my engagements, and in the thirty-five or forty counties that I visited I was met by the same question from the Liberal candidates: What are we going to reply to the speeches made by the Conservative candidates, who say most positively that if the Mackenzie King government is defeated and the Hon. Mr. Bennett is put in power butter will sell for 50 or 60 cents a pound in the month of August.

Some hon. MEMBERS: Oh, oh.

Mr. CASGRAIN: They said so everywhere.

Mr. RINFRET: I am not sure that even my good friend the Postmaster General did not speak very strongly on the matter.

Mr. SAUVE: I did not say so.

Mr. RINFRET: I think he promised that butter would go up in price.

Mr. SAUVE: I was unknown by the hon. gentleman.

Mr. RINFRET: I do not want to be discourteous to my hon. friend, but I hope that when the electors voted for him they knew him. I hope the Minister of Agriculture will not think we are pressing him too much to-night on this item. I may remind him that probably the main factor that helped the Conservative party in the province of Quebec was the promise so frequently made that if they got into power the price of butter would rise. You will find that the cities of Montreal, St. Hyacinthe, Three Rivers, Hull, Sherbrooke, and Quebec, voted strongly for the Liberal candidates, but the butter argument was very effective in some of the rural ridings. When my hon. friend to-night says that he deeply regrets the drop in the price of butter, I am afraid that that will not be considered any fulfilment of the promises made by his friends in the province of Quebec. Certainly if this government has a definite mandate from the electors of the province of Quebec, it is to keep up the price of butter. I know that they cannot do it, but why did they promise what they are not now in a position to carry out?

Mr. PICKEL: I should like, Mr. Chairman, to add a few words to this discussion. We have figures of the comparative prices of butter in the United States and in Canada, and those figures are very significant. Until 1925 our butter compared very favourably with American butter in regard to price, but in 1925, after the Australian treaty came into force, our butter was sold for much less than the price the commodity brought in the United States. So much was this the case that in the first fifteen days of September, 1926, the American farmer was receiving 26 cents a pound more for his butter than the Canadian farmer was receiving; he was getting 55 cents a pound and the Canadian farmer was getting 29 cents.

An hon. MEMBER: What was the duty?

Mr. YOUNG: Can you give us the figures for January, 1930?

Mr. PICKEL: The cost of butter in Canada has been comparatively low since the advent of the Australian treaty. The efforts of the ex-Minister of Agriculture to convince members of this house that our milk production had increased is rather far-fetched. The price of butter on account of the importation of the New Zealand commodity—

Mr. YOUNG: Was higher in Canada than in the United States last winter.

Mr. PICKEL: It was lower after the advent of the treaty. During the campaign last July we did not go about this country telling the electors that they were going to get 50 or 60 cents a pound for their butter, at least, not in my section of the country. We told them that we were going to prevent external competition. The dairying industry in Canada was absolutely ruined by the Australian treaty, which was the most iniquitous piece of legislation ever enacted.

Mr. DONNELLY: Is the industry any better off to-day?

Mr. PICKEL: Our prices to-day compare very favourably with the prices obtaining in other countries.

Mr. CASGRAIN: That is not the answer.

Mr. PICKEL: The cold storage plants in the city of Montreal still contain large quantities of New Zealand butter.

An hon. MEMBER: How much?

Mr. PICKEL: A couple of million pounds.

An hon. MEMBER: How much was in storage last year?

Mr. PICKEL: Fifty million pounds were brought in last year.

The CHAIRMAN: Hon. members may not interrupt the hon. member who has the floor without first asking his permission.

Mr. PICKEL: It is a crime that 50,000,000 pounds of foreign butter were brought into this dairying country. Butter prices will not improve until we first get rid of that butter in cold storage, at which time there will be a gradual rise in price although I think it will be some time before we will again see a price of fifty cents per pound.

An hon. MEMBER: Is not that what you promised at the last election?

Mr. PICKEL: The price received by the farmer for his butter, compared with the price he pays for grain, is better than it was last year.

Mr. YOUNG: The price of wheat has gone down more than the price of butter.

Mr. PICKEL: With grain at 30 cents and middlings at 40 cents, it costs the farmer 40 cents per pound to produce butter, but when the price of grain is much cheaper his cost of production is lower. I will have to support the appropriation asked for.

[Mr. Pickel.]

Mr. RINFRET: I am very much surprised to hear the speech made by the hon. member for Brome-Missisquoi because if there is any hon. member in this house who holds his seat because of butter it is he. I think he is very ungrateful to the commodity.

Mr. SHAVER: I was very much surprised at the statement of the hon. member for St. James that the farmers had been promised during last summer that they would receive 50 cents per pound for butter. In the industrial section of Canada which I have the honour to represent it was the members of the Liberal party who told the mill workers in the town of Cornwall that if the Conservatives were returned to power they would have to pay 50 cents per pound for butter. I have no doubt that if the argument was used there, it was used in the industrial centres of Quebec which, according to my hon. friend, returned Liberal members. Anyone who has studied the situation must agree with the evidence produced by the Minister of Agriculture and the hon. member for Brome-Missisquoi. One of the reasons for the present low price of butter is the fact that there still remain in the storage warehouses of Canada large quantities of New Zealand butter. The present day comparison with foreign prices is more favourable than it has been for the last five or six years.

Mr. RINFRET: The hon. member for Stormont says that at the last election the price of butter was fixed at 50 cents per pound. I am sorry to report that it has not as yet reached that price.

Mr. DONNELLY: There seem to be different opinions as to the amount of butter in cold storage, but I have the figures as of March 1, 1930, and March 1, 1931, furnished by the dairy commissioner, Mr. Ruddick. On March 1, 1930, we had in storage 13,087,236 pounds, and on March 1, 1931, 11,272,920 pounds. The statement is made that the amount of New Zealand butter coming in this year has brought the price down but it did not seem to bring it down last year.

An hon. MEMBER: The duty kept the price up.

Mr. McMILLAN (Huron): How much butter has come in from Australia and New Zealand since August last? When addressing the house some time ago the hon. minister told us that he had made a verbal agreement with Mr. Moloney of Australia that there was

to be no Australian butter released for sale in Canada under 32 cents per pound. Would he tell the committee what has been done with the butter imported from Australia since October last?

Mr. WEIR (Melfort): In reply to the first allegation, that it was stated at the time of the elections that the price of butter would be increased, I think a fairer interpretation to put on the statement made in that connection would be that we desired the Canadian dairy farmer to be protected against butter which could be produced in other countries at a lower cost. We promised that we would do all in our power to protect him, and we did so. I am informed by a very reliable authority in the butter-making industry that the farmers of Canada would have received during the last winter months at least 10 cents per pound less for their butter had this government not taken the action it did. Another statement made was to the effect that the tariff on butter had increased production, but I think the majority of those in touch with the farming industry in Canada will realize that during the last twelve or eighteen months the main element which tended toward increased production of butter was the cheap coarse grains and the effort which the farmer had to make, to a greater extent than ever before, to increase his income.

In answer to the question asked by the hon. member for South Huron as to the verbal agreement with Australia, I would state that although it was in our power when the treaty with New Zealand was abrogated to put a duty on New Zealand butter, we could not put a higher duty on Australian butter until the treaty with that country had been abrogated, and to do that would have taken some months. Realizing the conditions then existing in Canada, and wishing to give the farmer every protection, we came to the conclusion that the only way that could be done was by a verbal agreement with the Hon. Parker Moloney that pending ratification of the New Zealand treaty no Australian butter would be sold in the Dominion of Canada at less than 32 cents per pound, without a mutual agreement between himself and myself. They lived up to that agreement in a very commendable way, until the price of butter in Montreal, and also in the west, in Vancouver, was cut by something very much in the nature of a butter warfare between various organizations in the west. We thought butter had reached rock bottom, and it was not fair, after Australia had lived up to the agreement as she did, that we shoul not allow her to release her butter on this market.

An hon. MEMBER: How much butter?

Mr. WEIR (Melfort): In the neighbourhood of 10,000 boxes.

Mr. DUFF: How can the minister or Mr. Moloney control the price of butter? Is the minister or is Mr. Moloney in the butter business?

Mr. WEIR (Melfort): We are, I hope, and always shall be in the business of looking after the interests of the dairy farmers of Canada. The hon. gentleman is no doubt aware that in Australia they have an export board than can control the export of butter, and it was by making use of that organization that Mr. Moloney was able to control it.

Mr. DUFF: I ask the minister how he can control the price of butter in Canada or prevent the Australian people from selling butter at any price they like in this country.

Mr. WEIR (Melfort): The price of butter exported from Australia is under the Australian export board. They were the people who controlled it.

Mr. DUFF: But the minister in his statement a moment ago admitted that while he and Mr. Moloney made an agreement, that agreement was broken by somebody and the price of butter was reduced.

Some hon. MEMBERS: No.

Mr. DUFF: Is it not a fact that in Montreal last week, butter sold retail for twenty cents a pound?

Mr. WEIR (Melfort): Australian butter was not released at less than thirty-two cents a pound until we released the Hon. Parker Moloney and the Australian government from their agreement with us. They controlled the butter.

Mr. DUFF: Why did the minister do that?

Mr. WEIR (Melfort): Because we felt that they had kept their agreement honourably prior to that time, and butter had reached bottom price.

Mr. VENIOT: But we were exporting Canadian butter.

Mr. DUFF: The minister has not answered my question. What I should like to know is this: If we made an agreement with Mr. Moloney of Australia to keep butter at thirty-two cents, why did he release Mr. Moloney from his agreement, or why did the price decrease?

Mr. WEIR (Melfort): I am afraid I cannot answer the question any better than I have done.

Mr. DUFF: Of course the minister cannot; that is the trouble.

Mr. WEIR (Melfort): I shall repeat the answer I gave before. The verbal agreement made with the Hon. Parker Moloney was this: that they would not release Australian butter in Canada at less than thirty-two cents a pound except by mutual agreement, as long as we felt that to do so would injure the butter market in this country. When Canadian organizations commenced cutting the price of butter to a point that we thought was nearly rock bottom, I agreed that the Australians could release their butter at a price less than thirty-two cents a pound.

Mr. DUFF: In other words, the minister admits he has nothing to do with naming the price of butter in Canada.

Mr. WEIR (Melfort): Absolutely not.

Mr. POULIOT: So long as the production of butter in this country is less than the consumption, is it necessary, in order to supply the trade and the public in general, to import butter?

Mr. WEIR (Melfort): Do I understand the hon. member's question to be this: If the production of butter in Canada is less than the consumption, should we allow the importation of butter?

Mr. POULIOT: No; is it necessary to import butter from outside?

Mr. WEIR (Melfort): Yes.

Mr. POULIOT: I have just a word to say on this subject. During the last campaign the butter question was very much under discussion in every county in Quebec. I held several joint meetings and at some in particular the perpetual Tory candidate in my constituency said that in Australia and New Zealand they had great opportunities that were denied to Canada. I think he said that in New Zealand in one year they had 100,000 cows and the year after they had 1,200,000. I said: Those are not cows; they are rabbits. At that time that gentleman was blaming the previous administration for having permitted the importation of butter from the other dominions. If my memory serves me aright, the Liberal party was blamed some years ago by the hon. member for East Kootenay, the present Minister of Trade and Commerce, for not being agreeable enough to Australia and New Zealand. During the campaign, Conservative speakers made this statement—and this is important because many people voted Conservative on account of it—that if the present Prime Minister came into power, not a pound of butter from New Zealand or Australia would be admitted into Canada. This was stated on the hustings everywhere in my constituency, and I am surprised to see that some butter is being imported by Canada at this time. The question was fair, and it has been answered very fairly not only by the Minister of Agriculture, with whom I sympathize very much at the present time, but also, I think, by the Minister of Trade and Commerce, who evidently said yes when I asked the question about the importation of butter being necessary because the production is much less than the consumption at this time.

Mr. QUINN: No one takes the hon. member seriously.

Mr. POULIOT: The hon. member for Halifax is not in the butter business; he is not elected by farmers. He is in the soft drink business. He knows nothing about the matter except that he may put some butter in his soft drinks. I come from a farming constituency. I am interested in the production of butter and I took the trouble to study the matter in order to see what can be done for our people.

Mr. QUINN: It was people like the hon. member who defeated their own party.

Mr. POULIOT: The Liberal party was defeated by a trick. Last year when the Liberal government was in power, butter was much dearer than it is now. What was said to the electors of this country during the last campaign was this: If you elect the Conservatives, the price of butter will be forty cents.

Some hon. MEMBERS: Seventy cents.

Mr. POULIOT: They said: At least forty cents. It was a minimum and it could have gone up to ninety-nine cents, to be less than a dollar. But they told the farmers: if you elect the Conservatives; if you elect the right hon. member, who is now the Prime Minister of this country, the price of butter will rise from thirty-two cents to forty cents, but it has fallen from thirty-two cents to seventeen cents a pound.

An hon. MEMBER: Fourteen cents.

Mr. POULIOT: When it is sold at 17 cents, it means that the farmer here is left with only 14 cents a pound, and that is the marvellous result that was to be brought about as soon as the Conservative party got into power.

This is a thing that will be reported in Hansard to-morrow, and the people will read it. The Conservative party promised in every constituency in this country to bring about this wonderful result. This shows what fakers can say to the people of this country. They go to the limit. My hon. friend from Halifax (Mr. Quinn) is not smiling now. He reminds me of someone with an enamelled face who is afraid to smile for fear it will crack the enamel and the crack will show.

During the last election the farmers of this country were deceived by the Conservative party, and not only that but every Conservative speaker went on the platform and said that the Liberal party was working against the best interests of the farming class. Yet at that time, Mr. Chairman, butter sold at more than 30 cents a pound, and now it is less than 17 cents. Are my hon. friends opposite satisfied with that progress? What are they going to do about it? They pretended that a tariff was going to help the farmer. They said: Let us put a duty on butter that comes in from abroad, and you will see butter prices go up.

I have something here, Mr. Chairman, that I keep for special occasions, and I shall use it now. It is nothing harmful—the question of ammunition was settled yesterday afternoon. It is the opinion of a man whom my hon. friend (Mr. Quinn) supported and banged his desk for with great violence every time he rose to address the house. He does not know yet of whom I am speaking. I am speaking of a gentleman, who, though he might be in the shade to-night, will one day come into the limelight as leader of the opposition after the Conservative party is defeated in the next election. I mean the Right Hon. Arthur Meighen. In view of the disastrous incompetence that has been shown by this government since it came into power, I know very well that my hon. friends of the opposition, who can scream now, say in private that they are very sorry that the Right Hon. Arthur Meighen is not now in this house; I would not say now as the leader of the party, but as the right hand of the leader. On April 8, 1926—more than five years ago—how times have changed since then!—

An hon. MEMBER: You were not here then.

Mr. POULIOT: Oh yes, I was, and I shall be here for a long time. Since that time the Conservative convention took place, and after that convention my hon. friend the Minister of Railways (Mr. Manion) said that the Conservative party had been too honest in the past. Here I have just a word to show that honesty is the best policy. The Right Hon. Arthur Meighen on April 8, 1926, was asked this question by Mr. Ross, then member for Moose Jaw:

You contend that if the tariff is taken off, prices immediately rise?

Note this, Mr. Chairman. This is what a good friend of yours said, and at the time he was speaking from the bottom of his heart, with absolute honesty. I will repeat the question again for those who are willingly blind and deaf. Mr. Ross asked:

You contend that if the tariff is taken off, prices immediately rise?

And the man who has more brains in his head than anyone on the other side of the house replied:

We contend it, and we know it because we see the facts.

It was a forecast of what is happening to-day. Never was the duty so high on butter and never was the price so low. It seems as if this government was raising the tariff in order to give the manufacturers a chance to deprive the farmers of their legitimate profits.

Mr. GOTT: More solemnity.

Mr. POULIOT: There is no tariff on birds. When my hon. friend the member for South Essex was born he was attended by a nurse, and as soon as he came into this world she said, "He eccles," and that name was given to him.

Here we have a most serious arraignment of this government, Mr. Chairman, coming from the lips of the man who was the leader of the Conservative party for a long time, and who since that time has not been eclipsed by anyone on the opposite side. He said: We contend that if the tariff is taken off, the prices immediately rise, and we know it because we see the facts. A high tariff has been imposed on butter and on potatoes. My hon. friend from Victoria-Carleton (Mr. Smith) and his colleague from New Brunswick know all about potatoes; they could sing a hymn to potatoes. There was an ancient writer who said: "O virtue, what crimes are committed in thy name!" I would say to my hon. friend from New Brunswick: "O potato, what crimes are committed in thy name!"

The CHAIRMAN: Order.

Mr. POULIOT: To come back to butter, Mr. Chairman, and speaking at the same time of potatoes, we have on the opposite side of the house some supermen, or semi-gods, who told the electorate: We cure everything; we will make you farmers happy; we will allow

you industrialists to profiteer more than you ever did before in your lives; you labouring men will get better wages than you ever got before, and you will get work; the sons of the farmers will get nice positions and everyone will be happy. How was it to be done? I will not say that everyone was to have a soft drink, because that would not be very tempting, but, Mr. Chairman, I do say that the people were badly deceived during the last campaign by that cry of high tariff.

The CHAIRMAN: Order. I would ask hon. gentlemen not to make so much noise. They have at least the privilege to go out, which I have not, so I would ask them to keep order.

Mr. POULIOT: The tariff was to be a cure for every disease. It was to make people happy. Everybody was to be as happy as a man who is in heaven as soon as that new tariff was applied. It has been applied, and applied with great vigour; for I will say this for hon. gentlemen opposite, that they have been consistent. They proposed to increase the tariff, and they have done so. What has been the result? The result has been that farm products are to-day selling for nothing. I am sorry for the farmers of this country who are suffering more than ever before because of the unfair prices they are receiving for their products. The small prices received for farm produce represents a great menace for the future, because the farmers may not cultivate their lands with so much care or to such an extent if they do not receive a reasonable profit from their labours.

The situation is worse than ever. I do not wish to criticize the present Minister of Agriculture, who I admit is trying to do his best for the welfare of the farmers of Canada. I wish however to tell him that the policy of high tariff is a fake, it is a mirage, something which will give nothing to the farmer but which will contribute to the enrichment of a few. It will not profit the farmer but it will make wealthy those who control the trusts, the great organizations. It will not make the poor man rich but will make the rich man still richer, and the wealth of the nation will be no better distributed than it is now.

May I ask the Minister of Agriculture seriously to consider the effect of tariff on farm products? I have before me a statement of the Right Hon. Arthur Meighen to the effect that "as soon as the tariff is off the prices rise." On the other hand, the tariff on farm products has been raised and prices have since declined. This statement would show that Right Hon. Arthur Meighen knew more about economics than hon. members now sitting to your right, Mr. Speaker.

The CHAIRMAN: It is moved by the Hon. Mr. Guthrie, seconded by Hon. Mr. Stevens, that the committee rise, report progress and ask leave to sit again.

Mr. YOUNG: How about the amendment?

Mr. VENIOT: It stands.

Progress reported.

On motion of Mr. Guthrie the house adjourned at 10.56 p.m.

Wednesday, May 27, 1931

The house met at three o'clock.

PORT McNICOLL VOTERS' LIST

Hon. C. H. CAHAN (Secretary of State): I lay on the table of the house part of a return, reference No. 287, on the motion of Mr. Thompson (East Simcoe) relating to correspondence and other documents with reference to the preparation of voters' lists for the municipality of Port McNicoll. With the leave of the house, I may explain that certain documents which were called for by the order are not laid on the table for the reason that the chief electoral officer has directed attention to the Dominion Elections Act which provides, in section 76, in respect of certain documents, that they shall not be inspected or produced except under a rule or order of the superior court or of a judge thereof or other proper authority. I am laying on the table all the documents in the possession of the chief electoral officer except such as come within this section. I leave it to the house, or to the select committee which may be appointed, to call for the production of the others in the proper way. The proper procedure the house will have to determine.

FIRST READING SENATE BILL

Bill No. 51, to incorporate Acme Assurance Company.—Mr. Lawson.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

HATFIELD POINT, N.B., RURAL ROUTE

Mr. VENIOT:

1. Has the contract for carrying mail over the Hatfield point rural route No. 1, in electoral district of Royal, New Brunswick, which expired on March 31, 1931, and for which tenders were called due December 26, 1930, been awarded?
2. If awarded, to whom?
3. If not awarded, why is same held in abeyance?
4. What temporary arrangements, if any, have been made for the transportation of mails over this route pending the award of a regular contract?

Mr. SAUVE:

1. Yes.
2. Adam Bain.
3 and 4. Contractor started on 1st April, 1931.

MALBAIE DEMONSTRATION STATION

Mr. CASGRAIN:

1. Is the government aware that the demonstration station conducted by the federal Department of Agriculture, located at Malbaie, district of Riviere Mailloux, under the supervision of Mr. Rene Villeneuve, has been moved to another location?
2. If so, why was this change made?
3. Had complaints been made against Mr. Rene Villeneuve regarding the way this station was being conducted, and if so, what was the nature of said complaints, and by whom were they made?
4. Who replaced Mr. Villeneuve as superintendent of said demonstration station?
5. By whom was he recommended?
6. What is the salary of the superintendent of the said demonstration station?

Mr. WEIR (Melfort):

1. No demonstration station was conducted by the federal government under the supervision of Mr. Elie Villeneuve. An illustration station was operated on Mr. Villeneuve's farm for three years, the regular period of our contract.
2. Because of indifference toward conducting this illustration station work, this station was discontinued.
3. The indifference as to workmanship reported by the federal inspectional staff of illustration stations.
4. No illustration station has been chosen to replace this one discontinued.
5. Answered by No. 4.
6. Since there was no demonstration station, there was no superintendent or salary. Illustration station operators are paid no salary.

OLD AGE PENSIONS—PETERBOROUGH

Mr. BOUCHARD:

What amount has the city of Peterborough received from the government of Canada: (a) on account of old age pensions for the years 1929, 1930, and 1931; (b) is the government of Canada still paying the whole amount of old age pensions to any municipalities in Canada; (c) if so, to what municipalities?

Mr. GORDON:

(a) Nil; (b) No. The government of Canada has never paid old age pensions to any municipality, but reimburses each province one-half of the total amount of the old age pensions paid by the provincial government; (c) Answered by (b).

ST. BENOIT DE MATAPÉDIA POSTMASTERSHIP

Mr. MARCIL:

Has the postmaster of St. Benoit de Matapédia, county of Bonaventure, been dismissed, who has been appointed to the position, and is the appointment a temporary or permanent one?

Mr. SAUVE:

No.

ST. EUSTACHE, QUE.—MAIL CONTRACT

Mr. CASGRAIN:

1. Did the Post Office Department give to one Eustache Dumoulin dit Lafrance the mail contract of St. Eustache, Quebec?
2. If so, on what conditions?
3. Were tenders called, and if so, on whose recommendation was said contract given?
4. Is the Post Office Department aware that the said Eustache Dumoulin dit Lafrance was, subsequent to the elections of 1927, sentenced to pay damages for hitting a citizen during the course of a joint meeting at St. Benoit, Quebec?

Mr. SAUVE:

1. Yes.
2. Under a temporary agreement at existing rate of payment.
3. No. Postmaster General.
4. Department has no official information.

ST. CANUT, QUE.—MAIL CONTRACT

Mr. CASGRAIN:

1. Who at present is holding the contract for carrying of mail on rural route No. 1, St. Canut, Quebec?
2. Was this contract granted after the calling of tenders?
3. Who was the previous holder of said contract, was the contract cancelled, and if so, on whose recommendation?

Mr. SAUVE:

1. Arthur Robert.
2. No.
3. W. O'Connor. No.

RIVIERE DU LOUP WHARF

Mr. POULIOT:

1. How many labourers and carpenters were employed each week at the Riviere du Loup wharf, Quebec, since September 8, 1930, to December 31, 1930?
2. What amount was expended: (a) for materials; (b) labour; (c) teamsters; and (d) rent of vessel, at the Riviere du Loup wharf, from September 8, 1930, to December 31, 1930?

Mr. STEWART (Leeds):

1. Week ending October 4, no labourers, 4 carpenters; week ending October 11, 1 labourer, 5 carpenters; week ending October 18, 10 labourers, 11 carpenters; week ending October 25, 11 labourers, 11 carpenters; week ending October 31, 11 labourers, 10 carpenters; week ending November 8, 12 labourers, 9 carpenters; week ending November 16, 13 labourers, 8 carpenters; week ending November 23, 14 labourers, 7 carpenters; week ending November 30, 14 labourers, 7 carpenters; week ending December 6, 5 labourers, 4 carpenters; one day, December 9, 4 labourers, 4 carpenters.

2. (a) $3,879.18; (b) $3,881.70; (c) $732; (d) $192.50.

VIGER, QUE., POST OFFICE

Mr. POULIOT:

1. Is there a post office on the eighth and ninth back settlement of the township of Viger, in the county of Témiscouata?
2. If so, when was it established?
3. Who is the postmaster?
4. Who recommended him?
5. How is the mail carried to this post office?
6. Who secured the contract for carrying the mail, and on what conditions?

Mr. SAUVE:

1. Yes.
2. 9th March, 1931.
3. Felix Tardif.
4. C. E. Dube, Riviere du Loup.
5. Daily from Viger post office.
6. Philippe Tardif at $400 per annum.

ST. ARSENE—VIGER MAIL CONTRACT

Mr. POULIOT:

1. What are the names of each tenderer for carrying the mail between St. Arsene and Viger, Quebec, and the amount of tender submitted by each?
2. To whom was the contract granted?
3. On what conditions?
4. Was the original tender of the new holder reduced, and if so, by how much?
5. Was the new holder recommended to the department, and if so, by whom?

Mr. SAUVE:

1. Ovide Lebel, St. Epiphane de Viger, $373 per annum; François Tremblay, St. Epiphane, $375 per annum; Alfred Gagnon, St. Epiphane, $475 per annum; Antoine Roy, Viger, $600 per annum.
2. Ovide Lebel.
3. Under a four years contract at $373 per annum.
4. No.
5. Charles Eugène Dube.

TROIS PISTOLES, QUE.—WHARF

Mr. POULIOT:

1. Was cement used for repairing the wharf of Trois Pistoles, Quebec, in 1930?
2. If so: (a) from whom was this cement purchased before August 7, 1930; (b) after August 7, 1930?
3. At what price per bag was the cement purchased before August 7, 1930?
4. At what price per bag was said cement purchased after August 7, 1930?
5. How much was paid for carrying this cement to the Trois Pistoles wharf before August 7, 1930?
6. How much was paid for carrying said cement to the Trois Pistoles wharf after August 7, 1930?
7. Who recommended to the Department of Public Works the person or persons who sold cement for the Trois Pistoles wharf after August 7, 1930?
8. Was the original price of cement purchased for the Trois Pistoles wharf reduced after August 7, 1930?
9. If so, by how much, and why?

Mr. STEWART (Leeds):

1. Yes.
2. (a) Nazaire D'Amours and Joseph Rioux; (b) J. B. Deschenes.
3. Eighty cents a bag.
4. Seventy-five cents a bag.
5 and 6. Nothing paid as price f.o.b. wharf.
7. Engineer in charge.
8. Yes.
9. (a) By five cents; (b) lower price quoted.

GOVERNMENT ICEBREAKERS—PROPELLER BLADES

Mr. BOUCHARD:

1. Did Delphe Maranda supply propeller blades to the Canadian government icebreakers during the year 1930-1931?
2. If so, what number of blades were supplied, and at what price?
3. From whom were these articles purchased by Mr. Maranda?
4. Is the government aware that the said Maranda is a retail lumber dealer, and is not in any way connected with any industry which supplies or manufactures such articles as propeller blades?

Mr. DURANLEAU:

1. Yes.
2. Six blades. Total cost, $3,049.34.

3. Two blades requiring a percentage of nickel content were cast by Canadian Foundries Ltd., Montreal, P.Q., and machined by La Cie F. X. Drolet, Quebec, P.Q. No information with respect to the remainder.

4. No information.

SASKATOON FEDERAL BUILDING

Mr. TOTZKE:

1. How many appointments have been made to positions on the staff of the new federal building at Saskatoon; who received such appointments and what are the duties of each appointee?

2. Were the positions advertised, applications invited and examinations held?

3. Were these appointments made by the Civil Service Commission?

4. Upon whose recommendation were the appointments made?

Mr. STEWART (Leeds):

1 to 4. No permanent appointments have been made. The following positions have been established in connection with the new public building: 1 public building engineer caretaker; 1 stationary engineer of heating, grade 2; 2 elevator operators; 6 cleaners and helpers; 1 watchman; 2 firemen-labourers; 1 seasonal fireman; 1 charwoman.

The appointment of a caretaker, engineer, five cleaners and helpers, watchman and two elevator operators will be made by the Civil Service Commission. The position of caretaker, engineer and cleaners and helpers are now being advertised by the Civil Service Commission. Appointments to the remaining positions will be made by the Department of Public Works.

PHILEMON VALLIÈRE

Mr. BOULANGER:

1. Is Philemon Vallière employed by the Immigration department at Quebec?

2. If so, in what capacity, and what is his salary?

Mr. GORDON:

1. Yes.

2. As caterer; salary, $3,000 for season.

CAP DESROSIERS LIGHTHOUSE

Mr. LARUE:

1. Was Captain J. Napoleon Cote lighthouse keeper of the Cap Desrosiers lighthouse, county of Gaspe in 1926?

2. If so, how long did he occupy this position?

3. By whom was he recommended?

4. Who recommended his dismissal?

5. Was he dismissed without an inquiry?

6. If an inquiry was held, who was the inquiry commissioner?

Mr. DURANLEAU:

1. Yes.

2. September 22, 1920, to March 17, 1927.

3. He was transferred from Greenly island lightstation, with approval of the Civil Service Commission.

4. Dismissed by order in council dated 13th January, 1927.

5. No.

6. Mr. Maurice Brasset.

HULL COUNTY POSTMASTERS

Mr. FOURNIER:

1. To how many postmasters, in the county of Hull, have demands of resignation been sent since August 7, 1930?

2. What are the names and addresses of postmasters to whom demands of resignation were made?

3. Were inquiries held in each case; by whom were they held, and what was the result?

4. How much was paid to the inquiry commissioner in each case for his service and other fees?

5. Who required these inquiries to be made?

6. Was a preliminary notice sent to the postmasters in each case to the effect that such inquiry was going to be held, and what was the length of said notice?

7. What are the names of places where postmasters were dismissed in the county of Hull since August 7, 1930?

8. Were the dismissed postmasters replaced by persons duly qualified to fill the office of postmasters?

Mr. SAUVE:

1 and 2. No resignations have been demanded, although in the following cases the postmasters were advised of charges of political partisanship made against them: Miss Maria Legault, Pointe Gatineau; L. Morin, Val des Bois; J. A. Larrivee, White Deer.

3, 4, 5 and 6. No inquiries held.

7. One dismissal effected—White Deer—the postmaster having admitted active participation in politics.

8. Yes.

INTERIOR DEPARTMENT—TRANSFER OF EMPLOYEES

Mr. BEAUBIEN:

1. How many employees between September 1, 1930, and May 1, 1931, were transferred from other branches of the Interior department to the National Parks branch of the same department?

2. (a) What are their names; (b) what are their ages, and how many years of service has each one of them; (c) which were permanent and which were temporary; (d) did any of them have any previous experience in the National Parks branch?

3. How many of these employees have since been retired from the service?

4. (a) How many employees of the National Parks branch who were employed in that branch on the 1st September, 1930, have been dismissed; (b) how old were they and how many years of service did each one have; (c) were they permanent or temporary employees; (d) what is the cause for their being retired from the service?

Mr. MURPHY:

1. 8.

2. (a), (b) and (c).

	Age		Service	
Permanent—	Yrs.	Mos.	Yrs.	Mos.
Ball, Miss F. M..	25	7	3	–
Good, Miss M. M.	29	–	10	6
Stinson, W. W..	34	7	15	11
Drouin, G..	22	–	3	11
Denison, E.	33	7	11	6
Archibald, Miss F.	25	3	6	–
Johnston, F.. ..	22	1	4	5
Temporary—				
Handley, J. A. .:	19	1	1	7

(d) All had previous experience fitting them for the work they had to do.

3. 1.

4. (a) 2, (b) One was 57 years and 5 months old and had 8 years and 7 months service. Age of other not known—had 5 years and 3 months service, (c) Permanent, (d) Unsatisfactory service.

RAWDON, QUEBEC, POSTMASTERSHIP

Mr. SEGUIN:

1. Was Mr. James Skelly, postmaster of Rawdon, Quebec, dismissed, and if so: (a) at whose request; (b) who made complaints against him?

2. Was an inquiry held, and if so, who acted as inquiry commissioner and what was the cost of said inquiry: (a) commissioner's fees; (b) travelling expenses; (c) all other costs?

Mr. SAUVE:

1. Yes; (a) As result of order in council based on report of commissioner; (b) Mr. C. E. Jeannotte.

2. Yes, by Mr. Gaston Allard; (a) $20.00; (b) $2.65; (c) $2.25.

SADDLE LAKE INDIAN AGENCY

Mr. BUCKLEY:

1. From whom is the Saddle Lake Indian agency purchasing their meat at the present time?

2. Did the department discontinue obtaining their meat from E. Meunier of St. Paul, Alberta, if so, why?

3. Was any complaint made as to same, and if so: (a) by whom was said complaint made? and (b) was said complaint investigated, and if so, by whom?

4. Upon whose recommendation was authority issued for obtaining supplies from the present butcher?

[Mr. Beaubien.]

Mr. MURPHY:

1. For Indian rations—from Swift Canadian Company, lowest tenderers; for employees' rations for April—from Star Market Company and E. Meunier.

2. Answered by No. 1.

3. The answer is in the negative.

4. The departmental policy is to purchase supplies at fair and reasonable prices.

ST. PAUL, ALBERTA, INDUSTRIAL SCHOOL

Mr. BUCKLEY:

1. Has the Department of Indian Affairs purchased any live stock for the use of the industrial school at St. Paul, Alberta?

2. If so, who was authorized to make said purchase?

3. How many animals were purchased, what amount was paid, and to whom?

4. Has the department authorized any breaking or clearing to be done on the lands surrounding the industrial school?

5. Has any contract therefor been given and, if so, to whom and at what rate of pay?

6. If not, will the work be given by contract, or how, and will local labour be employed?

Mr. MURPHY:

1. No.

2 and 3. Answered by No. 1.

4. Yes.

5. Yes, clearing only; C. H. Gauvreau, St. Paul de Metis, Alberta; 40 acres heavy brush at $8 per acre, 60 acres light scattered brush at $6 per acre; prices include clearing and burning all brush and putting land in condition for plough.

6. Answered by No. 5.

ST. PAUL INDUSTRIAL SCHOOL—FARM MACHINERY

Mr. BUCKLEY:

1. Has the Department of Indian Affairs purchased any farm machinery for the use of the industrial school at St. Paul, Alberta?

2. If so, from what company has said machinery been purchased?

3. Was said machinery manufactured in Canada?

4. If no machinery has been purchased as yet, is it the intention of the department to make any purchases?

5. If so, will Canadian manufactured goods be purchased?

Mr. MURPHY:

1. No.

2 and 3. Answered by No. 1.

4. Yes.

5. Yes.

BELLECHASSE CENSUS COMMISSIONER

Mr. BOULANGER:

1. Who was appointed census commissioner for the county of Bellechasse?

2. What is his salary?

3. For how long was he appointed?
4. Who are his census enumerators?
5. What is the salary of these enumerators, and for how long were they appointed?

Mr. STEVENS:

1. Mr. Alfred Goulet.

2. An allowance of $225 to cover organization expenses. For viseing of the returns made by the enumerators; checking them and forwarding to Ottawa, verification of enumerators' accounts and the general supervision of the census within the district over which he is appointed as commissioner the following rates are provided: 1 cent for each name on the "population" schedule; 3 cents for each "agricultural" schedule; 1 cent for each entry on the "animal and animal products, not on farm" schedule; 1 cent for each record of blind and deaf persons; 1 cent for each record of merchandising and service establishments.

3. For the period of the census.

4. Information not yet available.

5. Salary of enumerators as follows: 5 cents for each person recorded on the population schedule; 5 cents for each absentee family card; 5 cents for each closed house card; 35 cents for farms of 5 acres and over; 25 cents for farms of 1 to less than 5 acres; 35 cents for vacant and abandoned farms; For animals, animal products, fruits, etc., not on farms, 10 cents per family; For merchandising and service establishments, 10 cents each; For blind and deaf persons 5 cents per name. In lieu of horse hire and all other expenses at the rate of $5 per 100 names on population schedule. Enumerators employed for the period of the census.

CANADIAN NATIONAL RAILWAYS—HALIFAX PROPERTIES

Mr. DUFF:

1. Is it the intention of the government to meet the demands of the city of Halifax for a grant in lieu of civic taxation on properties operated by the Canadian National Railways in the city of Halifax, the title of which is still vested in the crown?
2. If so, when will the grant be available to the city of Halifax?
3. If the above grant is made will the same treatment be extended to all other portions of Canada where properties operated by the Canadian National Railways exist, the title of which is vested in the crown?

Mr. MANION:

This inquiry relates to a question of government policy which will be decided in due course.

NEW WESTMINSTER—INSPECTOR OF BRIDGES AND WHARVES

Mr. REID:

1. Who is the inspector of bridges and wharves in the federal riding of New Westminster?
2. When was the said inspector engaged by the government?
3. On whose recommendation was he employed?
4. What is the amount of remuneration for such services?
5. What amounts have been paid for all such services since August 1, 1930, up to the present time?

Mr. STEWART (Leeds):

1 to 5. The Department of Public Works has no such position as inspector of bridges and wharves. All works of that nature come under the direction and supervision of the district engineer and his staff.

SIR GEORGE PERLEY

Mr. POULIOT:

On what date and at what time of the day did the right hon. Sir George Perley act as Acting Minister of Railways and Canals last fall, and particularly in October, 1930?

He said: Mr. Speaker, I rise to a point of order. The first question sent in was in French and read as follows:

1. De quelle date et quelle heure à quelle date et quelle heure le Très Honorable Sir George Perley a-t-il agi comme Ministre intérimaire des Chemins de Fer l'automne dernier, et en particulier en octobre 1930?

The present question is not as complete as when first sent to the house, as one section has been deleted. There was a second paragraph which appears in votes and proceedings of May 25, reading as follows:

2. What was (a) the date, (b) the number, (c) the purpose of each order in council submitted by him while acting as such, to the privy council, during said period?

I came to an understanding with the Clerk of the House that that second paragraph would be acceptable if amended by substituting the words "subject matter" for the words "the purpose."

Mr. SPEAKER: The Clerk informs me that he endeavoured to amend the question to make it comply with the rules of the house. If the hon. member desires to ask another question he can send it through in the regular way.

Question dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

INQUIRY COMMISSIONERS

Mr. DORION:

1. What are the names and addresses of inquiry commissioners appointed from September, 1921, to August, 1930, in the province of Quebec, to inquire into charges of political partisanship in the various departments of the government?
2. What departments have ordered the inquiries?
3. What was the amount paid to each commissioner?

WOMEN IN GOVERNMENT SERVICE

Mr. ROSS:

1. How many women are employed by the government of Canada at Ottawa whose husbands are also in the employ of the government?
2. What is the number in each department?
3. How many married women are in the employment of the government of Canada?

DAIRY INDUSTRY ACT

Mr. DENIS:

1. How many prosecutions were taken from 1920 to 1931 against violators of the Dairy Industry Act for adulteration of butter, showing each year separately?
2. How many persons were found guilty, and what are their names, occupations and addresses?
3. What was the penalty or punishment in each case?
4. How many inspectors are there in the city of Montreal?

CANADIAN NATIONAL RAILWAYS—PROPERTIES PURCHASED IN OTTAWA

Mr. NICHOLSON:

1. What properties, with description of same have been purchased by the Canadian National Railways in the city of Ottawa during the years 1925, 1926, 1927, 1928, 1929 and 1930?
2. What were the purposes for which these properties were acquired?
3. (a) Who were the vendors; (b) what was the purchase price for each parcel?

ST. HYACINTHE-ROUVILLE POSTMASTERS

Mr. FONTAINE:

1. To how many postmasters, in the counties of St. Hyacinthe-Rouville, have demands of resignation been sent since August 1, 1930?
2. What are the names and addresses of postmasters to whom demands of resignation were made?
3. Were inquiries held in each case; by whom were they held, and what was the result?
4. How much was paid to the inquiry commissioner in each case for his services and other fees?
5. Who required these inquiries to be made?
6. Was a preliminary notice sent to the postmasters in each case to the effect that such inquiry was going to be held, and what was the length of said notice?
7. What are the names of places where postmasters were dismissed in the counties of St. Hyacinthe-Rouville since August 1, 1930?
8. Were the dismissed postmasters replaced by persons duly qualified to fill the office of postmaster?

[Mr. Speaker.]

UNOPPOSED MOTIONS FOR PAPERS

BONAVENTURE COUNTY WHARF OVERSEERS

Mr. MARCIL:

For a return showing ratings given for each of the applicants for the position of overseers on the government wharves at St. Charles de Caplan, Fleurant, St. Omer and Carleton, all in the county of Bonaventure.

WINDSOR, N.S., WHARF EXTENSION

Mr. ILSLEY:

For a copy of all petitions, resolutions, letters, telegrams, reports and other communications and documents to or from the Minister of Public Works, and any other minister or official of the government, with reference to an extension to the wharf at Windsor, Nova Scotia, the plans therefor, the method of doing the work thereon, and tenders for work thereon.

Mr. BENNETT: This motion is too general, it should state as between certain dates.

Mr. ILSLEY: From January 1, 1930.

Motion as amended agreed to.

SHUBENACADIE POST OFFICE

Mr. ILSLEY:

For a copy of all petitions, resolutions, letters, telegrams, reports and other communications and documents to or from the Minister of Public Works, the Postmaster General, and any other minister or official of the government with reference to the construction of a post office at Shubenacadie, and the selection of a site therefor.

Mr. RHODES: Would the hon. member amend this motion in the same manner?

Mr. ILSLEY: From the same date, January 1, 1930.

Motion as amended agreed to.

WINDSOR, N.S., FISH HATCHERY

Mr. ILSLEY:

For a copy of all petitions, resolutions, letters, telegrams, reports and other communications and documents to or from the Minister of Fisheries, the Deputy Minister of Fisheries, and any other minister, or official, or department of the government with reference to the establishment of a fish hatchery at or near Windsor, Hants county, Nova Scotia, and the selection of a site therefor.

Mr. RHODES: The same date?

Mr. ILSLEY: No, for the last three years.

Motion as amended agreed to.

ST. NEREE FLAG STATION CARETAKER

Mr. BOULANGER:

For a copy of all correspondence between the Minister of Railways and Canals and Sir Henry Thornton, or other persons, regarding a charge of political partisanship against Maxime Labbe, caretaker of a flag station at St. Neree, in the county of Bellechasse, on the Canadian National railways, for which he receives a salary of $15 per month, together with all reports, evidence and other documents relating to this matter.

BOARD OF GRAIN SUPERVISORS

Mr. MOTHERWELL:

For a copy of the orders in council appointing the board of grain supervisors which operated during the grain seasons of 1917-1918, 1918-1919, setting forth their duties and scope of supervision, also copy of all reports, recommendations so made by such board to the government of Canada, or any member thereof.

WHEAT BOARD

Mr. MOTHERWELL:

For a copy of the order in council appointing the wheat board which operated during the grain season of 1919-1920, setting forth its duties and scope of activities, and also copy of all reports and recommendations made by such board to the government of Canada, or any member thereof.

RIVIERE DU LOUP STATION

Mr. POULIOT:

For a copy of the letter, telegram, or other document sent by the government to the Canadian National Railways to notify them that Department of Railways and Canals had refused to sanction the construction of a new station at Riviere du Loup.

For a copy of (a) the application of the Canadian National for approval of the proposed new station at Riviere du Loup; (b) plans numbered P-1-12-179-2, 17105-1, 17105-2, and 17105-3, dated respectively January 31, 1930, July 15, 1930, and June 12, 1930, on file with the board under file No. 36455; (c) of the report and recommendation of the chief operating officer of the board as mentioned in order No. 45205, dated August 9, 1930, of the Board of Railway Commissioners.

For a copy of (a) plan No. 17321-1, dated Moncton, March 31; (b) submissions filed on behalf of railway company, the board of trade of Riviere du Loup, the provincial hygiene service, and the city of Riviere du Loup; and (c) of report and recommendation of the chief officer of the board as mentioned in order No. 46476, dated March 27, 1931, of the Board of Railway Commissioners.

DISMISSAL OF H. S. HOWEY

Mr. GRAY:

For a copy of all correspondence, reports, etc., on file in the Department of National Revenue, relating to the dismissal of one H. S. Howey, formerly employed in the preventive service of this department.

APPOINTMENT OF RIGHT HON. SIR GEORGE PERLEY

Mr. POULIOT:

For a copy of the order in council appointing the Right Hon. Sir George Perley, Acting Minister of Railways and Canals, in October, 1930.

ORDER IN COUNCIL P.C. 2292

Mr. POULIOT:

For a copy of the order in council P.C. 2292, of September 30, 1930, by which the Hon. Minister of Labour was authorized to enter into an agreement with the Canadian Pacific Railway and the Canadian National Railways.

UNEMPLOYMENT RELIEF—RIVIERE DU LOUP

Mr. POULIOT:

For a copy of petitions or requests sent by the city of Riviere du Loup, and all other municipalities in Témiscouata county, Quebec, for assistance under the Unemployment Relief Act.

MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS—RIVIERE DU LOUP STATION

Mr. POULIOT:

For a copy of calls for tenders, notices published in the papers, estimates, and forms of tenders, in connection with the construction of a new Canadian National Railways station at Riviere du Loup, Quebec.

For a copy of all correspondence exchanged between Mr. W. U. Appelton, general manager, Atlantic region, Canadian National Railways, and Mr. C. E. Dube, since July 29, 1930, to October 7, 1930.

Mr. BENNETT: Mr. Speaker, it will be observed that it is beyond the power of this house to furnish the material asked for in these motions. The correspondence is between the railway company and other people and it is not even alleged that parliament has the remotest interest therein.

Mr. POULIOT: Mr. Speaker, I rise to a point of order. I submit that these motions are entirely in order. The one motion refers to tenders submitted to the Minister of Railways and Canals (Mr. Manion) which tenders were approved of. In that sense the government had something to do with this matter and that is why I ask for the production of the papers.

Mr. BENNETT: Nothing is said about that in the motions.

Mr. POULIOT: I will amend them.

Mr. SPEAKER: I rule that these motions are out of order and they will be struck out.

Motions dropped.

CANADIAN NATIONAL RAILWAYS—RIVIERE DU LOUP STATION

Mr. POULIOT:

For a copy of all correspondence, personal or other, exchanged between: (a) the right hon. Prime Minister; (b) the hon. Minister of Marine; (c) the hon. Postmaster General; (d) the hon. Solicitor General; (e) the hon. Secretary of State; (f) the private secretary of each one of them, and Mr. C. E. Dube, regarding the construction of a new Canadian National Railways station at Riviere du Loup, from July 29, 1930, to date.

Mr. CAHAN: Mr. Speaker, I submit that this motion is out of order because it calls for correspondence "personal or other."

Mr. POULIOT: I have no objection to deleting those two or three words if it will please my hon. friend. I ask that the motion be amended by striking out the words "personal or other."

Mr. SPEAKER: This motion as it appears on the order paper is out of order, and it will be struck out.

Mr. LAPOINTE: Mr. Speaker, this is not the usual way to deal with a matter of this kind. The minister accepted the motion with the qualification he mentioned and implied that the correspondence would be filed with the exception of that of a personal nature. This is the first time such a motion has been ruled out on this ground.

Mr. SPEAKER: It is only by the unanimous consent of the house that a motion can be so amended. I understood the minister to object to the motion.

Mr. BENNETT: He certainly did.

Mr. POULIOT: Mr. Speaker, on the point of order—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I have given my ruling; if any hon. member wishes to appeal therefrom he may do so.

Motion dropped.

BLACK LAKE, QUE., PUBLIC BUILDING

Mr. ROBERGE:

For a copy of all orders, correspondence, reports, memoranda and letters, in the possession of the government or any member thereof, if acted upon, written by J. E. Beaudoin, Megantic county, or any one else, by any member of parliament, any minister of the crown and by any official of the Department of Public Works, with regard to the construction of a public building at Black Lake, Quebec, for which a sum of $26,000 was voted in the estimates of 1930-31.

[Mr. Speaker.]

Mr. STEWART (Leeds): Mr. Speaker, I desire to call the attention of the house to the fact that the hon. member who moved this resolution some time ago moved a similar resolution asking for a copy of all correspondence, letters, telegrams, reports, petitions, documents and memoranda in the possession of any department of the government in connection with the construction of a post office at Black Lake, Megantic county, Quebec, since August 1, 1930. That was passed as an order for return which was tabled on April 29, 1931. Everything asked for in this motion has been tabled as a return to the former order, so I ask that this motion be struck out.

Mr. ROBERGE: Mr. Speaker, I rise to a point of order. I submit that my motion is in order. I have in my hand a copy of the order in council which was recommended by the hon. Minister of Public Works (Mr. Stewart) on August 5, 1930, and passed by the privy council on August 6, 1930. This order in council covered the building of a post office in Black Lake, Megantic county. In order to save time, and with the unanimous consent of the house, I will hand a copy of this order in council to Hansard. The second reason I advance is that in 1929 when the hon. member for Gloucester (Mr. Veniot) was Postmaster General, a notice of motion similar to mine for the production of papers was passed in this chamber. For these two reasons, I contend that my notice of motion for the production of papers is in order.

Mr. SPEAKER: Probably the motion is in order, but the Minister of Public Works pointed out that the documents called for by it have already been brought down to the house in pursuance of another resolution. Therefore I suggest that the hon. member let this resolution stand until he examines that return.

Mr. ROBERGE: No. It is not the same motion.

Mr. SPEAKER: If the hon. member wishes to go on with it, I shall put the motion.

Mr. BENNETT: It is understood that if there are any papers other than those covered by the previous return, they will be brought down in response to this motion, and that will be considered as compliance with it.

Mr. STEWART (Leeds): That will be quite satisfactory. I am only telling the hon. gentleman that we have brought down everything we have, and in my opinion this will be a barren motion.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS—RIVIERE DU LOUP STATION

Mr. POULIOT: I rise to a point of order. The house has now dealt with resolution No. 15. No decision has been reached in regard to resolution No. 14. I would like to know if the motion as amended is in order or stricken out.

Mr. SPEAKER: It was ruled out of order and struck off the order paper.

Mr. POULIOT: At whose request were resolutions Nos. 13 and 14 stricken out?

Mr. SPEAKER: Order.

CANADIAN NATIONAL RAILWAYS—RIVIERE DU LOUP STATION

Mr. POULIOT:

For a copy of all correspondence, personal or otherwise, exchanged between the hon. Minister of Railways and Canals, the hon. Acting Minister of Railways and Canals, their private secretaries, the deputy minister, and any other officer or employee of the Department of the Minister of Railways, and Mr. C. E. Dube and any other person, regarding the construction of a new Canadian National Railways station at Riviere du Loup, from August 7, 1930, to date.

Mr. BENNETT: Surely this motion should not be passed. Such an order has to my knowledge never been made by the house. I would hope that in the terms in which it stands, it would be ruled out of order.

Mr. MACKENZIE KING: Might not the same procedure be followed with regard to this resolution as with regard to others? There are three words "personal or otherwise", which I understand the hon. member is prepared to drop—

Mr. POULIOT: Certainly.

Mr. MACKENZIE KING: —and to have the resolution amended accordingly. Cannot the resolution as amended be permitted to pass?

Mr. BENNETT: "Their private secretaries."

Mr. MACKENZIE KING: Private secretaries are public officials.

Mr. BENNETT: They may or may not be with respect to some of these things. As the right hon. gentleman knows, one has no control over their correspondence. Of course one has control over such of it as is public.

Mr. SPEAKER: There is a point of order, that the resolution as it appears on the order paper is out of order.

Mr. LAPOINTE: I understand the Prime Minister objected to the resolution. It was not a point of order that was raised.

Mr. BENNETT: I raised the point of order whether or not this is a proper resolution for the house to adopt where it asks for personal correspondence if there is any. All one has to do is to look at the order paper and see the number of applications made by the same hon. member covering the same subject and the same papers, but couched in different terms, to realize just why I am raising the objection. I think the hon. member would do well to reconsider the matter. I think my hon. friend would take the same view if he were similarly situated.

Mr. LAPOINTE: I was similarly situated, except that I was next to the then Prime Minister.

Mr. BENNETT: I did not mean the office. I meant with respect to the terms of the resolution itself. Let it stand until the hon. gentleman can consider how he will word it.

Mr. LAPOINTE: I remember my right hon. friend as recently as last year took the position that any letter, even if marked "confidential," when a government official or a minister took action on it, must be produced if the house so requests.

Mr. BENNETT: If it is on the file, I believe that is so. If it is not on the file, I believe the house has not control over it. What arose last year, the hon. member will recall, was that in connection with the Post Office Department certain letters were produced although marked "personal." They dealt with public matters, and I took the view, after looking up the authorities, that if they were on the file they must be treated as public documents, but the personal documents which the minister keeps on his personal file, were never brought down because they were not available.

Mr. VENIOT: Last year, at the request of the right hon. gentleman who is now leader of the government, I was asked to produce a personal letter that was not on the public file but on the minister's file. The contention

was that, although marked "personal," it was acted on by the minister, and that such a letter should be produced. These are the very words:

> A personal letter written to a minister about a personal matter and placed upon his personal file is privileged, and this house has so ruled. But a letter marked "personal" which deals with the public business of Canada cannot be made personal merely by marking it so. That principle has been laid down by parliament from the first time the production of papers was called for, because parliament claims the right to redress grievances and it claims the right to know what the grievances are before supply is granted.

Mr. CASGRAIN: Who said that?

Mr. VENIOT: The present Prime Minister, as reported at page 1726 of the second volume of Hansard, 1929. Under the ruling I produced a letter from my own personal file. I had acted upon that letter although it was on my own personal file as minister, and according to the ruling of the house and the statement made by the present Prime Minister, then leader of the opposition, I produced that letter. I do not think an exception should be made in this case.

Mr. BENNETT: I wholly agree with the observations of the hon. member for Gloucester that no exception should be made in the application of the rule. The letter to which he refers was a letter, knowledge of the existence of which came into being through a letter which was on the file produced. It thus came to the attention of those who had the file that such a letter had been written about the public business and therefore it was producible; but the principle has not been changed in the least that personal correspondence is not in any sense to be brought down. It never has been and I suppose it never will be in any parliament. The hon. gentleman may say that it was on a minister's own file, but what happened in that case is no evidence of what may have happened in this. In that case in the file brought down there was reference to a letter. We asked where the letter was. The then minister said: It is on my personal file. We said: As the correspondence shows it was acted upon as a public document, obviously it must be produced as such. That is all. I am of the same opinion still. But the question whether or not a man has the right to mark a letter as "personal" is quite clear; it has never been challenged in parliament. It arose very acutely in the 1926 campaign as to whether a letter marked "personal" could be brought down, could be shown. The consensus of opinion was that the writer was the judge of the character of the communication; that he had the right to maintain the personal character of his communication, and that until he gave his consent the recipient could not make public the contents. That is the position, as far as I understand it, and everything I said on that occasion I would repeat now. If by any chance any letter is shown by the file to be a letter that, although marked "personal," is referred to by the minister in the action he takes, I would still hold to the view I then expressed, and say that it should be produced on the public record.

Mr. LAPOINTE: On the point of order, I would say that whether or not those papers should be tabled, is a matter for argument. The house has the right to refuse such a motion and it has done so in the past; but that is not a question of order. Any member has the right to ask for these documents; it is not against the rules to ask for them. The government may take the responsibility of asking that the motion be refused, but not of asking you to rule it out of order, Mr. Speaker, because it is not out of order.

Mr. MACKENZIE KING: Just before the subject of correspondence is left, if it is a proper moment at which to refer to it, I think that a distinction must be made between what is personal in the sense in which personal communications are generally so understood, and what is personal only in the sense of avoiding publication of the reply. For example, if a communication is addressed to a minister of the crown on a public matter, his reply to that communication should be available for publication equally with the original communication. Otherwise, ministers of the crown may evade answering in a public way questions on public matters. I raise the point more particularly because I believe it is true that with respect to a very considerable amount of the correspondence that has taken place since the present administration came into office, replies made by ministers of the crown to public communications, have been marked "personal". The reply in no sense, strictly speaking, was personal. It was an answer on the part of a member of the government to a public communication, and there should not be afforded to the ministry the possibility of evading the publication of their replies to public communications simply by marking them "personal." If, however, a minister wishes to communicate on a personal matter, certainly he can mark his letter "personal", and a personal communication in that sense would be respected, but on a public matter where an individual writes

to the government and expects to receive an official acknowledgment, and receives that acknowledgment on government paper signed by the minister, the word "personal" written on the corner of the letter should not in any sense protect it from publicity. I think that that is the sound view.

Speaking on the same matter with respect to private secretaries, the private secretary's reply is the reply of the minister. The private secretaries are civil servants, and communications signed by private secretaries should not in any way be privileged. They must stand on all fours with communications from the ministers. A letter from a private secretary is in exactly the same position as a letter from a minister and should be regarded as such.

Hon. R. J. MANION (Minister of Railways and Canals): I might mention an instance to illustrate that the statement of the right hon. leader of the opposition as a general statement of policy cannot be accepted. Within the last couple of days a bishop of one of the churches of Canada wrote to me as Minister of Railways on behalf of a man who had been dismissed from the Canadian National Railways, and argued that he should be reinstated. I made inquiries and found that this man, for causes which are very serious, had been dismissed. Now, in that case I had either to refuse to answer my correspondent or to write him a personal letter giving him private information as to why the man was dismissed. It was a case of either refusing to answer or giving a personal reply for the private information of my correspondent, so that he would not feel that this man had been unfairly treated by the Canadian National Railways.

Mr. MACKENZIE KING: The minister's statement at the moment refutes his own contention. The minister could reply to the clergyman in question by saying that the man had been dismissed for cause, and he did not think it was in the public interest to disclose the cause. If he felt that it was in the public interest that the reason for the man's dismissal should be made public, let him give the reason, but he certainly should not send a reply which could not be brought down in this parliament to a communication which had been addressed to him by a citizen of this country.

Mr. MANION: I do not agree that you can simply take that attitude. The very fact that the man was dismissed by the Canadian National Railways, not by the department—

Mr. MACKENZIE KING: It is all public business.

Mr. MANION: It is not. The man may have been dismissed for some very serious offence, say pilfering, for instance, being short in his cash. Would the right hon. gentleman suggest that I should write a letter in reply to my correspondent that could be published, branding that man as a thief? He would be having difficulty enough over having lost his job for stealing. It seems to me he would have been sufficiently punished. If I wrote a personal letter explaining the circumstances privately, I do not think that reply should be made public or be brought down in this house.

Mr. MACKENZIE KING: If what my hon. friend says were to be followed by business houses it would be impossible for any person to write to another to get any kind of information about former employees. The minister may couch his reply in any words that he pleases to use, but he has to make a reply in a form that may be given to the public.

Mr. BENNETT: If the right hon. gentleman had followed the decisions in the courts he would realize that the problem is not as simple as he suggests. The action of McIntosh vs. Dunn, which went to the privy council from Australia, is the leading authority upon the subject. I happen to recall it at the moment. There are other cases of the same kind. The question of privilege, when set up by the recipient of a letter, and the publication of it with respect to a claim for damages for libel, raises issues that I shall not take the time of this house to discuss, but I think that this is a fair rule. I think the right hon. gentleman has stated it too broadly. The right of any minister to write a personal letter to a correspondent I think cannot be denied. If the correspondent seeks information of a public character the minister may turn the letter over to one of his staff, to a secretary, and see that he gets a reply. If the correspondent writes a letter seeking some information about a very ordinary, everyday transaction, and the minister in reply says, "For your personal information I can only inform you such and such," certainly it seems to me he should be able to protect himself and make that a personal communication by marking it "personal," not for the purpose of evading anything, but for the purpose of carrying on, if he desires, a friendly correspondence with anyone who addresses him in a personal way, for the purpose of ascertaining certain facts.

Certainly I have seen enough correspondence of former ministers, now sitting on the other side, during their tenure of office to know that the word "personal" was used very frequently on many communications that were received by their correspondents, sometimes by myself, in answer to inquiries that I had made, and in my judgment that word was quite properly put there. As the right hon. gentleman knows, cable communications that pass between different governments are marked "confidential," and, for reasons that are good and sufficient, they cannot be brought down in this house without the consent of the other government. Whether marked "confidential" or not, the consent of the other government should first be obtained before bringing them down. Broadly, the question is one of maintenance of good faith between people who carry on a correspondence. If one has written the letter in good faith on a personal and confidential matter, he has the right to have it so treated if he marks it as such. But on the other hand, if the letter is sent for the purpose of public attention being directed thereto and reference being made to it publicly, it does not come within that rule.

Mr. MACKENZIE KING: That is precisely the position with respect to a letter to which I referred the other day, and to which my right hon. friend took exception. A letter had been written by a man as a public communication to the Prime Minister, and it was intended as a public communication. The Prime Minister replied to him and marked his reply "personal". According to what my right hon. friend now says, as the original communication was not marked "personal," the reply sent to it should be regarded in the same light as the original communication. That is my contention, and I hope that my right hon. friend will continue to agree with me.

Mr. BENNETT: I think my right hon. friend has put that a little too broadly. I have a right to say, when I direct my reply, whether I shall treat that matter as a public matter and make a short reply of half a dozen lines, or whether, for personal reasons, I shall make it a private matter and amplify my reply, giving him a great deal of information which I otherwise would not do, in order perhaps to induce him to believe that the conclusions at which he had arrived were wrong. That is a very different thing altogether. I conceive that I have a right to mark "personal" my communication to anybody that I direct it to. That was the ground the former ministers took with respect to very important communications, and it was the view of those to whom the question was referred, parliamentary and other authorities, that they were quite within their rights in doing so.

Mr. POULIOT: Before you give your decision, Mr. Speaker—

Mr. SPEAKER: Order. It has been the custom of the house to allow the leaders of the parties in the house great latitude in discussing a motion of this kind, but strictly they are not debatable. Do I understand the hon. member for Témiscouata desires to amend this motion by striking out the words, "personal or otherwise."

Mr. POULIOT: All right, sir. I move accordingly.

Motion as amended agreed to.

RIVIERE DU LOUP STATION

Mr. POULIOT:

For a copy of the order in council referred to by the hon. Minister of Railways and Canals on May 12, 1931 (Hansard page 1664, second column, 24th line), and relating to the proposal to build a new station at Riviere du Loup.

Mr. MANION: Mr. Speaker, I have examined the record in Hansard and find I did not refer at the line or page indicated to the order in council mentioned in this motion. Therefore in this connection there are no papers to be supplied.

Mr. POULIOT: If my hon. friend is kind enough—

Mr. SPEAKER: The hon. member should make his request accurately.

Some hon. MEMBERS: Carried.

Mr. POULIOT: Mr. Speaker, my hon. friend the Minister of Railways—

Mr. VENIOT: The motion is carried.

Mr. POULIOT: On a point of order, Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. POULIOT: May I ask what has happened—

Mr. SPEAKER: Order.

Mr. POULIOT: —to order No. 14.

Mr. SPEAKER: The motion is declared carried.

Mr. POULIOT: Is No. 14 stricken out, or adopted as amended?

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF DELIVERY

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the right hon. the Prime Minister if he has a statement to make to the house as to when the budget is to be brought down, and also if he is in a position to indicate what the order of business will be for to-morrow, in the event of the budget not then being brought down.

Right Hon. R. B. BENNETT (Prime Minister): I cannot submit the budget to the house to-morrow; I hope however to be able to do so on the succeeding day. The submission of the budget to the house depends upon my ability to encompass a given amount of work in a given time. If I can I shall; and if I cannot, I cannot.

Mr. MACKENZIE KING: My right hon. friend will advise the house to-morrow as to whether or not the budget may be expected on Friday?

Mr. BENNETT: Yes.

BUSINESS OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Owing to the fact that to-day Mr. Speaker leaves the chair at six o'clock without question put, may I ask what the business will be for to-morrow?

Mr. BENNETT: It is our intention to proceed with supply, because I shall not be present to proceed with the tariff bill. Government bills appearing on the order paper for second reading might be considered.

Mr. MACKENZIE KING: What departments will be taken in supply?

Mr. BENNETT: We will proceed with any department which is open, beginning with Agriculture, followed by Trade and Commerce.

ALBERTA COAL

FREIGHT RATE TO ONTARIO—REPORTED EXTENSION TO COVER ENTIRE YEAR

On the orders of the day.

Mr. E. J. GARLAND (Bow River): May I ask the Minister of Mines whether the report is correct that was recently published in the newspapers to the effect that the special freight rate of $6.75 on Alberta coal to Ontario has been extended to cover the entire twelve months in each year, and whether the arrangements have been made by amendment to the order in council or by direct action of the Board of Railway Commissioners?

Hon. W. A. GORDON (Minister of Mines): The question of assistance to the coal industry is under review, and I could answer my hon. friend's question more accurately if it were placed on the order paper.

Mr. GARLAND (Bow River): Will the minister regard my question as a notice?

UNEMPLOYMENT RELIEF

REDUCTION OF WORKING HOURS ON HUDSON BAY RAILWAY

On the orders of the day.

Mr. B. M. STITT (Nelson): May I ask the Minister of Railways and Canals (Mr. Manion) whether he has found it practicable to reduce working hours on the Hudson Bay railway in order to furnish a greater amount of work for the unemployed? Such action would relieve the unemployment situation.

Hon. R. J. MANION (Minister of Railways and Canals): The other day the hon. member suggested that we should try to double the number of men employed because of the seriousness of the situation respecting unemployment. An arrangement under which the men would work day about was suggested whereby it would be possible to employ 500 or 600 more men. I am glad to say we are doing our best and hope to make satisfactory arrangements along the line suggested. The section of the country through which the railroad passes would be greatly benefited if a satisfactory arrangement could be made.

CANADIAN NATIONALS ACT

PROVISION FOR LOSS OR RENUNCIATION OF CANADIAN NATIONALITY

Hon. C. H. CAHAN (Secretary of State) moved the second reading of Bill No. 24, to define Canadian nationals and to provide for loss or renunciation of Canadian nationality.

He said: Mr. Speaker, I do not intend to take much of the time of the house in a discussion of this bill. I think we have reached the stage in the evolution of our national life when we should seriously consider the foundations for its future development. For sixty-four years we have had a very satisfactory material development. We have been promoting great national works, carving out new provinces, providing organized govern-

ment for the great Northwest Territories, and I think we have succeeded far beyond the expectations of the fathers of confederation in the material and commercial development of Canada. In connection with that development, however, if we are to assume the status of a nation within the British commonwealth, we must also assume very serious duties and responsibilities. Among the responsibilities resting upon the parliament of Canada is that of framing a clear definition of "Canadian nationals" for whom the government and parliament are responsible, whether they be resident in the dominion or temporarily resident outside our territorial jurisdiction. So long as they retain the status of Canadian nationals they should in my opinion be treated as such and as holding a status within the dominion equal to that which any others individually enjoy.

When the Treaty of Versailles was signed certain articles related to Canadian nationals. The matter came to my personal attention because of the fact that many hundreds, who were applicants for compensation for damages suffered by illegal enemy warfare, necessarily were compelled to prove before the commissioner appointed to hear evidence that they were Canadian nationals at the time the Treaty of Versailles was ratified. In proving that they were such Canadian nationals they were compelled to resort for a definition to the Immigration Act, which was drawn not for the express purpose of defining the term "Canadian nationals", but rather for the purpose of defining those who are not admissible to this country as immigrants. It seemed to me a matter of regret that in dealing with the status of Canadian nationals we should be compelled to resort to an enactment which was put on the statute book as an act respecting immigration, for the purpose of providing measures for keeping people out of this country.

Then a further serious question was brought frequently to my notice. We have in this country hundreds of thousands of immigrants who have obtained certificates of naturalization, and who are settled here and who by reason of the fact that they have become domiciled British subjects are, within the meaning of the present act, "Canadian nationals." But if any of those immigrants who have obtained naturalization certificates—some of them members of this parliament—happen to be out of this country for a year, for instance, on a voyage around the world, or on a visit to Argentina to attend the British Empire fair, and through illness are not able to return home within the year, those Canadian nationals, simply by reason of that absence, although British subjects, are, under the existing acts prevented from reentering Canada and from resuming their domicile here, except they do so subject to the same objections as if they were coming in anew from Siberia, Kamchatka, Turkestan or some other foreign country, and had never been subjects of the king, domiciled in Canada. It seems to me that these surprising difficulties should be dealt with by an act of parliament clearly defining who are Canadian nationals.

Take another case. During the short time that I have occupied the position of Secretary of State I think there is not a religious organization in Canada engaged in missionary work in foreign countries that has not brought before the Department of State questions as to the national status of its missionaries in Japan, China or India who were formerly domiciled in Canada, but who have remained outside of this country for more than a year, and who have married and had children born to them in those countries. Under the present law some of those missionaries have no right —I make that assertion subject to correction, but it has been so decided I think—have no right to return to this country with their wives and children simply because under the existing law they are not Canadian nationals in the sense that they retain the right to return to Canada and resume the domicile which they left temporarily to represent great Canadian religious institutions in foreign countries.

Since I assumed the office of Secretary of State, representatives by the score, Canadians abroad, commercial agents, men sent abroad for the purpose of performing public duties and public service on behalf of the government of Canada, have raised the question as to whether their wives and their children born abroad are to be deemed Canadian nationals. If they are Canadian nationals as defined by the parliament of Canada, then I take the ground that it is the duty and responsibility of this parliament to enact that those Canadian nationals shall have the right to return to their former domicile and take up their lives in this country as from the time they left Canada on foreign service or to represent our great religious institutions, or other institutions dealing with trade, commerce and industry, which to successfully perform their functions abroad must have trade agents and representatives in foreign countries.

If this bill is to pass in its present form it seems clear that there must be amendments to it or to the Immigration Act. Therefore it may be difficult to proceed with the bill in

committee of the whole house. But I should like, and I think the government of the day would like, to have an expression of opinion from hon. members as to whether, for the preservation of our own self-respect, for the maintenance of our dignity as a young nation, and to lay the foundations for our future national life, the time has not come when we are bound to define, as clearly as concise language may permit, who are Canadian nationals, with a view to fulfilling our duties and responsibilities to those Canadians temporarily resident abroad who should have equal status with ourselves in this country.

I should like this bill to receive second reading. As to whether it should go to a select committee or should be dealt with in committee of the whole house, I am at present in doubt. Therefore if the bill is read a second time I should like to have it reserved.

Of course, I have received protests against this bill, especially from the province of British Columbia, on the ground that under its terms one of the Japanese or Chinese race who was born in British Columbia would thereby become a Canadian national. But in that respect I wish to say that this bill makes no change whatever in the existing law. Whether a person be of the Chinese, the Japanese, the Malay or the Indian race, that person, male or female, born in this country thereby becomes a British subject, and if domiciled in this country thereby becomes a Canadian national under the law as it at present exists. I repeat, no change is proposed in that respect.

Therefore I submit the bill for the sympathetic consideration, I hope, of the house, because, speaking for myself, I am as proud as any other man of being a Canadian national born and bred in this country, but I shall be prouder still of my own people when by the laws we place upon the statute book and by our administration of those laws we make it clear that a Canadian national shall continue to be a Canadian national unless, by his own overt act he severs his connection with this country and refuses to continue his status as a Canadian national for the future.

Mr. STEWART (Edmonton): May I ask the minister a question?

Mr. DEPUTY SPEAKER: I do not think questions should be asked on the second reading; they should be reserved for the committee stage.

Mr. CAHAN: I will answer any questions.

Mr. STEWART (Edmonton): Surely the chair is not going to rule out questions when the principle of the bill is under discussion?

Mr. MACKENZIE (Vancouver): I heard the hon. member for Montmagny (Mr. LaVergne) ask several questions the other day, on second reading.

Mr. DEPUTY SPEAKER: Yes, but it was out of order.

Mr. STEWART (Edmonton): Surely I am not to be prevented from asking a question?

Mr. DEPUTY SPEAKER: I am not preventing my hon. friend from doing so; I am just stating the position of the chair.

Mr. STEWART (Edmonton): I want to be clear as to the position the chair is taking. If I am to be prohibited from asking questions I will not ask them. I will obey the ruling of the chair. The question I wish to ask my hon. friend is this: Does he argue that by reason of the provisions of the Immigration Act, children born of Canadian parents outside Canada cannot be admitted into Canada as Canadian citizens?

Mr. CAHAN: I think it is clear that the interpretation which was placed upon the Immigration Act by the previous administration—and I confess I am not an expert in the matter—is that children born abroad of Canadian parentage, in seeking admission to this country, must pass the same physical and mental examination as though they were foreign immigrants. But take another situation that exists right here. We have a large number of the most representative members of this House of Commons who are naturalized British subjects. It is absolutely clear that if one of these gentlemen remains out of Canada for more than twelve months, without reporting to some diplomatic officer—and often there is no diplomatic or consular officer to whom to report—that gentleman upon his return is, by our law—

Mr. STEWART (Edmonton): Is my hon. friend speaking now of naturalized or Canadian-born citizens?

Mr. CAHAN: I am speaking of those naturalized.

Mr. STEWART (Edmonton): I was speaking of Canadian-born.

Mr. CAHAN: No; I do not think my hon. friend was speaking of Canadian-born citizens.

Mr. STEWART (Edmonton): So far as the children are concerned.

Mr. CAHAN: The hon. member was speaking, I understood, of children born abroad. And the question has been raised by every religious institution in this country,

without exception, I think, and raised by a great number of our commercial agents abroad, as to whether, according to the interpretation which has been given to the Immigration Act, the children of such parents, if born abroad, are not subject to exactly the same examination and the same grounds for refusal of entry as if they were foreigners, of a different race. My hon. friend shakes his head. Well, if it is necessary the correspondence can be brought down. I may say that some of it has been forwarded to me by the Department of External Affairs and from other sources, with legal opinions to the effect I have stated. If, therefore, there is any doubt in the matter it should be cleared up. None of the legal officers with whom I have consulted can give me definite advice in the matter, as to how otherwise the doubt could or should be cleared up. If a doubt exists as to children born abroad of British parents who, except for their absence abroad, would be domiciled in Canada, there is with respect to such persons a section of the Naturalization Act under which the minister, to remove such doubts, may issue certificates of naturalization. And that we have done in a very limited number of cases. But the other fact remains that, even if they receive certificates of naturalization in that way, inasmuch as they are born abroad, in India or Japan or some other foreign country, there arises the question whether, through lack of actual domicile in this country, they are Canadian nationals. Under the act as it stands at present there are Canadian nationals who cannot obtain admission to Canada. That fact also must be considered.

Mr. STEWART (Edmonton): I think they would get in.

Mr. CAHAN: The hon. gentleman thinks they would get in?

Mr. STEWART (Edmonton): Yes.

Mr. CAHAN: Well, I do not wish to go into it, but I have before me the report of the former Canadian minister at Washington and a memorandum prepared by Mr. Wrong of that legation, pointing out case after case in which there exists a grave doubt.

Mr. STEWART (Edmonton): So long as the children are minors—

Mr. CAHAN: But they sometimes grow up.

Mr. STEWART (Edmonton): Of course.

Mr. CAHAN: Well, suppose they grow up and suppose they make a clear declaration under the act that they wish to remain British subjects: they may go back to England, but they cannot, under our law as it stands at present, come back to Canada except as immigrants. England takes this broad view, that a British subject, so long as he remains a British subject whether domiciled or formerly domiciled in any part of the world, is free to enter the confines of Great Britain, and he continues to be regarded as a British subject. But while there are difficulties in the way of determining who are Canadian nationals, we in this country, under the law as it stands at present upon the statute book —and it has not been amended since my hon. friend was Minister of Immigration—do not admit that Canadian nationals, who have been naturalized here, may return to this country after an absence of more than one year, and, if they are natural-born British subjects, after more than five years. But that is a matter that this house must consider. It is not a party matter. It is a matter that must be dealt with by an almost unanimous decision in this house as to who for the future shall constitute the nationals of this country.

Mr. HANSON (Skeena): I may point out that Canada is the only country in which there is not such a law as the minister is speaking of, in conformity with international law.

Mr. DEPUTY SPEAKER: I have already intimated to the house that discussion by dialogue at this stage is out of order. The Secretary of State was entitled to speak once; he has spoken twice by leave of the house. Other hon. members are also confined by the rules to one speech. I must emphasize again that discussion by dialogue on the second reading of the bill is out of order, and any hon. members who rise now may not speak again.

Hon. FERNAND RINFRET (St. James): I do not wish to speak at any length on the bill, but I may observe that with the principle of it we on this side of the house, or at least a large proportion of us, agree. This is not a new matter. It was brought before the house in 1921 by the Right Hon. Mr. Doherty, who was then Minister of Justice, and who had a bill passed covering the subject. The whole question was under study by the late administration of my right hon. leader (Mr. Mackenzie King), both in the Department of the Secretary of State, over which I had the honour to preside, and in the Department of External Affairs.

Reports have been asked from experts in the matter with respect to the international,

legal and other points of view, and there is a vast amount of correspondence, besides other documents, with respect to the whole subject. This information, gathered by the two departments I have mentioned, is the product of years of effort to find a solution for this very interesting but most complex problem.

The principle underlying the bill is the endeavour to define what is a Canadian national as distinguished from a British subject. British subjects are defined in the Naturalization Act; and, as the house is aware, the conditions under which persons become British subjects by statute are decided, not in this Dominion alone but by agreement between the mother country and the various dominions. Certain conditions underlie the granting of certificates of naturalization to British subjects, one of them being the condition just alluded to in the dialogue which took place after my hon. friend's speech on the question of residence. May I say that that residence clause in the Canadian statute is not exclusive to us, but it is one of the conditions upon which all the dominions and the mother country have agreed to in the granting of naturalization papers. The present bill does not deal with naturalization, it is simply a definition of what is to be a Canadian national, distinguishing a citizen of Canada from a citizen of Australia or New Zealand, although all are British subjects under another statute.

I hold in my hand a report on this very problem which was made to the Secretary of State by a learned professor in Toronto. I do not intend to quote very extensively from this report, but a passing allusion to it may clarify the situation. This professor suggested a definition of subjects of His Majesty peculiarly relating to their Canadian citizenship. The explanation given is that two conditions must be recognized: first, the fact that the Dominion of Canada is not an independent state according to the categories contained in international law, and, second, the fact that she possesses legal rights arising from her position under the crown and in international affairs which she can confer on certain persons or classes of persons. The term Canadian national was adopted both by my right hon. friend and by Right Hon. Mr. Doherty in 1921, the contention being that it satisfies both, the idea of Canadian national autonomy and Canada's essential position in relation to the crown and the empire. In a way it is a cumbersome title but, as the expert says, and I fully agree with him, no simple title will meet a complicated situation.

A bill was introduced and adopted by this house in 1921. I confess that I am basing my conclusions on the different reports which came before me since that time. The main difficulty with the bill introduced by the Right Hon. Mr. Doherty in 1921 was that the definition then made of a Canadian national was based on some other statute, namely, the Immigration Act. The bill of 1921 enumerated the classes of Canadian nationals, among them being any British subject who is a Canadian citizen within the meaning of the Immigration Act. There were other sections in that bill, but I allude only to that one.

In defining a Canadian national we should have a basic statute which independent of any other enactment should be complete and inclusive in itself. The Immigration Act deals with a special situation, that of admitting citizens into this country and I know —the Secretary of State (Mr. Cahan) will bear me out in this—that there has always been a great deal of difficulty in the administration of the Naturalization Act under the Secretary of State and the administration of the Immigration Act under some other department. If we follow the example set by the bill of 1921, and define a Canadian national as being a Canadian citizen as defined by the Immigration Act, we will be faced with further difficulty. I commend the attitude taken by the Secretary of State in endeavouring in his bill to define "Canadian national", not by a reference to any other statute but by making a basic statutory definition which will be complete within the borders of the bill.

The interchange of questions and answers which we heard just a moment ago on some of the complexities of this matter, and the doubt entertained by such a learned person as the Secretary of State, would lend strength to his suggestion that this bill be referred to a special committee of the house. We agree with the principle of the bill, affecting as it does a matter upon which the late administration had been working for some time. I will vote for the second reading. It is not within my province to move that the bill be referred to a special committee for consideration, but as the Secretary of State has invited suggestions on this point, I urge very strongly that the bill be sent to a special committee where the many difficulties and complexities connected therewith can be fully threshed out.

Mr. THOMAS REID (New Westminster): Mr. Speaker, I think this is one of the most important bills which has ever come before this house. I agree with the suggestion of the last speaker (Mr. Rinfret) that this bill should be referred to a special committee of the house for very serious consideration. There is one subsection which should receive special attention, namely, subsection (f) of section 2, which reads:

"Natural-born British subject" means a natural-born British subject as defined in part I of the Naturalization Act.

This clause of the Naturalization Act provides that a person born on a British ship, whether or not in territorial waters, becomes a British citizen, and if that subsection were adopted the same definition would be carried out in the present bill. Our naturalization laws should conserve for our own people the exclusive right to say who may become citizens of this country, but that right is not preserved in the present bill. By the provisions of the Naturalization Act a child born in Canada or upon a British ship becomes a British subject, whether we like it or not, or whether children so born, or their parents, are fit persons to become citizens of Canada. I contend that the provisions of this bill should be changed to such an extent as not to extend this right to any child of alien parentage born within His Majesty's dominions or on board a British ship, unless the parents of such child are fit and proper persons, both physically and morally, to become naturalized citizens of this country.

Many undesirable people are making their way into this country, and I believe I am correct in saying that the state has the power to say who shall become its citizens. On the Pacific coast we are faced with a race problem. These newcomers will not assimilate with our Anglo-Saxon stock, and they are content with a much lower standard of living and of civilization. Their birth rate is much higher, and in this connection I should like to refer to the increase in the school population of orientals as against whites. Even if bars were put up against Asiatics coming into British Columbia, and such immigration ceased, the birth rate would still be alarming and in the course of years the Asiatic probably would overshadow the white population. There are some 54,000 orientals in British Columbia and last year the birth rate for Japanese alone was 38 per cent as against five per cent for whites. Steps should be taken immediately to conserve our heritage for our own people. When I speak of heritage I mean the land that these Asiatics are

gradually beginning to control in British Columbia. The figures for last year, compiled by the Minister of Lands for British Columbia, show that some 50,000 acres are owned or controlled by members of the Japanese race.

The oriental problem has two sides, economic and national, but the national side is the most important. The Asiatic problem has been before the house many times, but I think this would be a good time to consider seriously whether or not we are to continue to allow such people who are not assimilable to become Canadians. This question must be settled definitely sooner or later. At present it is probably primarily a British Columbia question, but it is a very serious question so far as our province is concerned.

For the benefit of the house I am going to recite briefly the history in connection with the situation out there. In 1908 the so-called gentleman's agreement with Japan was made by the Hon. Mr. Lemieux, whereby among other conditions it was agreed that Japan should limit immigrants of the domestic and agriculture types to 400 a year. Former residents of Canada and those coming to work under contract were also admitted. In 1910 the Immigration Act was amended to give the minister power to exclude any race deemed undesirable in Canada. In 1919 the act was further amended to give the minister power to reject those considered unsuitable for assimilation. This provision was not used against the Japanese. In 1913 the Anglo-Japanese treaty was adopted by Canada. It contained a clause allowing the nationals of other countries to live and trade in the country of each contracting party. Canada's adoption of the treaty was modified by a clause stating that nothing in the treaty should be held to affect the provisions of the Immigration Act. In 1923 negotiations with Japan modified the Lemieux agreement and cut the limit of domestics and agricultural labourers to be admitted to 150 instead of 400.

There is no specific law dealing with Japanese immigration. Canada acts simply under the agreement with Japan which undertakes to limit the number of pasports to those desiring to enter Canada, while Canada agrees to admit those with passports and to prohibit others from entering. In the years preceding 1927 the Japanese birth rate was over five times that of the white. Last year the Japanese population increased 74 per cent as against an increase of 6 per cent in the white population. Your oriental is no pioneer. He lets the white man open up the country. When it is organized he purchases

or leases improved land and reaps the reward. This is where uninformed eastern opinion goes astray. Otherwise why should they look on that problem as largely one of filling up our open spaces. I am not going to deal with the matter at greater length, because many figures have been given in connection with it; but the suggestion of the minister should be taken seriously and before we proceed much further with this bill it should be referred to a committee where this grave aspect of affairs in British Columbia should be taken into consideration.

Motion agreed to and bill read the second time.

SUPPLY

EMBARGO ON RUSSIAN GOODS—GOVERNMENT BY ORDER IN COUNCIL—AMENDMENT, MR. BOURASSA

Hon. HUGH GUTHRIE (Minister of Justice, for the Minister of Finance) moved that the house go into committee of supply.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, before you leave the chair, I would ask the forbearance of the house to consider for a moment a matter of importance, especially in view of the comments that have been passed in the province of Quebec with regard to the adoption by the government of the order in council prohibiting the importation of Russian goods. I want, however, to enlarge the question and to discuss for a few moments the whole principle of government by order in council. In order to make my position clear, I shall read immediately the motion which I propose to move:

> The house regards the growing practice of deciding by order in council important matters of public policy as an encroachment upon the duties and privileges of parliament and a violation of the principle of responsible government.

Ever since I have occupied a seat in the house—and that is thirty-five years ago—and even prior to that, I have heard leaders of the various oppositions criticize the then government for deciding by order in council matters which should be referred to parliament. I shall not dwell at length upon what might be called the academic aspect of the question; but nevertheless it seems to me that, especially since the war, the evolution of government in this as well as in other countries calls for serious reflection on the part of those who still hold faith in parliamentary and responsible institutions. I must say that my own faith has been somewhat shaken; but at the same time, so long as we pretend to be a country governed by parliamentary practices, so long as we claim that the government of the day is but the executive committee of the House of Commons, we should be very careful about allowing the cabinet to carry on, by orders in council or even by private dictates of the Prime Minister, matters that ought to be threshed out in the house where the elected representatives of the people sit.

Of course I was bound by the rules of the house to give to this motion perhaps the appearance of a motion of want of confidence, but I want to say at once that it is not so much a motion of blame against the present government, as an expression, might I say, of criticism against a system that has been growing upon us and that has been pursued by practically all governments. In order to make my position clear, I am going to illustrate it by summing up before the house the case of our external relations, taking as a concrete example the relations between Canada and Russia during the last ten years. I have chosen that particular question for two reasons, first, because in those ten years all our relations with Russia have been dealt with by orders in council. Not in a single instance has a decision been taken by the Canadian government, whether by a Liberal or by a Conservative government, under the advice of the house, nor has the government received from the house any mandate to enter into or to break relations with Russia, or to change the basis of our relations with that country. In these days, especially since the war, when we are entering into the field of foreign affairs, whether for the making of trade agreements or of diplomatic arrangements, when we are beginning to have Canadian representatives accredited to foreign governments, it is of the highest importance that there should be an understanding whether our foreign relations, either diplomatic or commercial, are going to be determined by parliament or by the government without consultation of parliament. That is my second reason.

Three years ago I gave a part of the story which I am bound to repeat to-day, in order to complete my argument. As may be remembered by some members of the house, in 1921, a trade agreement was concluded between the British government and the government of the Soviet republic. This trade agreement was not made by a labour-radical cabinet, but by the coalition government presided over by Mr. Lloyd George. It was signed by a staunch, respectable Conservative member of that government, Sir Robert Horne, and on behalf of Russia by Mr. Krassin, who, I think, according to all testimony, was one of the most respectable—I hope there were others—mem-

bers of the Russian government. This trade agreement was concluded, in the very terms of the white paper which I have in my hand, "pending the conclusion of a formal general peace treaty between Great Britain and Russia."

It contains various clauses defining, for example, the conditions under which the nationals of the two countries should live in their respective territories, concerning the protection of the rights and facilities necessary to enable the people of both countries to carry on trade, and so forth. It contemplated the appointment of official agents of each government to the other. This agreement was concluded on the 16th of March, 1921. I am now going to quote from various papers produced during the session of 1928, under numbers 180 A, B and C of the sessional papers of that year.

On the 22nd of August, 1921, an order in council was passed by the Canadian government upon the recommendation of the then Minister of Trade and Commerce, Sir George Foster, with no bolshevist tendencies, I believe, in these terms:

The minister recommends that His Majesty's government—

The government in England—

—be informed that Canada desires to participate in the arrangement for the resumption of trade with Russia.

That was referring to the agreement concluded in the month of March. The order in council was communicated by Lord Byng to the then Secretary of State for the Colonies, Mr. Churchill, on the 30th of August. Some previous despatch must have been sent, because on the 25th of August, Mr. Gregory, who was, I think, Under Secretary of Foreign Affairs in England, had already written to Mr. Berzin, chief of the Russian delegation in London, as follows:

I am directed by the Marquess Curzon of Kedleston—

Another one, I believe, not under any suspicion of bolshevism—

—to inform you that the Canadian government has expressed the desire to be associated with His Majesty's government in the trade agreement between Russia and Great Britain.

Mind you, Mr. Speaker, there was no question of restraining the relations of Canada and Russia merely to trade matters. What the Canadian government asked for was to be associated with the government of Great Britain in all the terms of what I might call this preface to a formal peace treaty between Great Britain and Russia. Some correspondence ensued and on October 15, 1921, Mr. Churchill wrote to Lord Byng a despatch in which a form of the adhesion of Canada to that treaty was suggested. The form is this:

The government of the Dominion of Canada having expressed their desire that the provisions of the agreement between the government of the United Kingdom and the Russian Soviet government for the resumption of trade and commerce between the two countries which was signed at London on the 16th day of March, 1921, should apply also to Canada and to merchandise, the produce and manufacture of Canada, it is hereby agreed that the provisions of that agreement shall as and from the date of the present agreement—

Meaning the agreement to be made by Canada—

—be held to apply to the Dominion of Canada and to govern the relations between Canada and Russia.

Not only trade relations between Canadian dealers and Russian tradesmen, but relations between Canada as a state and the Soviet republic as another state. Evidently the matter was considered favourably by the Canadian government because on the 26th of December, 1921, upon a report from the Secretary of State for External Affairs, who was then the Prime Minister, Mr. Arthur Meighen, an order in council was passed by the Canadian government in the following terms:

The committee of the privy council have had before them a report dated 17th of December, 1921, from the Right Hon. the Secretary of State for External Affairs—

Mr. Meighen—

—to whom was referred a despatch from the Right Hon. the Secretary of State for the Colonies, dated 15th of October, 1921, regarding the desire of the Canadian government to participate in the arrangement for the resumption of trade with Russia, proposing a formula to be embodied in notes to be exchanged between the foreign office and the Russian trade delegation with the object of making applicable to Canada the provisions of the trade agreement between the government of the United Kingdom and the Russian Soviet government, and inquiring whether Your Excellency's ministers would concur in the terms of such formula. The minister, with the concurrence of the Minister of Trade and Commerce—

Again, I repeat, Sir George Foster—

—states that the proposed formula is approved by the Canadian government.

The committee on the recommendation of the Right Hon. the Secretary of State for External Affairs advise that Your Excellency may be pleased to inform the Right Hon. the Secretary of State for the Colonies to this effect by telegraph.

All of which is respectfully submitted for Your Excellency's approval.

(Signed) Rodolphe Boudreau,
Clerk of the Privy Council.

To show the house the importance which the then Conservative government attached to getting into close trade and political and friendly relations with the Russian government, which has been styled both in and out of this house as a government of atheists and murderers, this order in council was passed, I would point out, twenty days after the Conservative government had been defeated at the polls and just three days before they resigned. Practically the last action of importance that was taken by that government was to make sure that Canada would not lose her chance of entering into friendly relations with the Soviet government. I am not saying that in any spirit of criticism or sarcasm, but simply to demonstrate on what a fragile basis rest the comments that have been made recently in the province of Quebec with regard to our relations with Russia. The Soviet government with which the Canadian government made that agreement was much more directly concerned, either as a government or through its personnel, with the murder of the czar, the czarina and their children than the present Russian government. Mr. Lenin was still the chief of that government, and the foreign minister was still Mr. Chicherin. The representative of the Soviet in London was Mr. Krassin. Mr. Krassin had no share in the responsibility for events of October, 1917. But the government with which Canada entered into friendly relations was a government certainly as, if not more, communistic than that with which by order in council of a few months ago we broke relations. At the present time I am not expressing my opinion as to the propriety of one action or the other, but am simply pointing out the facts.

Three days after this important document was passed and after the arrangement had been made, a change took place in the government of Canada. The Liberal party was called to power. They concluded the accord, in other words, they affixed their signatures to the document which had been prepared by Mr. Meighen upon the suggestion of Sir George Foster, and it was sent to London. So far as that is concerned I hope both political parties in the province of Quebec will cease their accusations and counter accusations of being friendly to murderers, atheists and communists because as a matter of fact both parties have, by order in council without consideration by the house, committed themselves and Canada to friendly relations with the government of Russia.

So much for the point of departure. Matters went along for some years until we come to the year 1927, and I wish to dwell upon what happened at that time. Various demands had been made in London to bring about a cessation of the relations with Russia. The previous Labour government had refused. Sir Austen Chamberlain had refused. But Sir William Joynson-Hicks,—familiarly known in London by the short name of Jix, and who since has been lordified under what name I do not know—took the course he thought best and organized the Arcos raid. I have read the speech delivered by Sir Austen Chamberlain in the House of Commons to explain the action of his colleague. It is a masterpiece of parliamentary diplomacy. Nevertheless the action of the British government was strongly criticized by Mr. MacDonald, by Mr. Henderson, the present foreign secretary, and by Mr. Lloyd George. Whether or not the British government acted properly in the matter is not my business. I quite agree with a statement previously made by the present Prime Minister, who I regret to say is not in the house, that it is not our business to criticize the action of any other government unless we are directly concerned. Immediately however, Mr. Amery, the very active and able Secretary of State for the Dominions, wired to Canada on May 23, 1927, asking if we would follow suit and break relation with Russia in the same manner and for the same reasons that had induced the British government to act. I shall quote from his communication:

> Especially as the Soviet action which has led to the present situation is directed against institutions of all parts of the British empire, we should like to suggest for consideration that as regards the retention of Soviet representatives this is a matter on which uniformity of action by the various members of the commonwealth concerned would present great advantages.

To this communication the then Governor General, Lord Willingdon, in the name of his ministers, replied in these very significant terms:

> The despatches received from London do not indicate that any documents have been found in the Arcos raid which establish that the official agency in Canada has been a centre of espionage and subversive propaganda. If any evidence to this effect has been discovered, it is desired to be informed as early as possible. It is further desired to learn whether His Majesty's government in Great Britain, in terminating the trade agreement, are acting under paragraph 1 of article 13 of the agreement, providing for six month's notice, or under paragraph 3, providing for immediate termination in the event of an infringement, and in the latter case whether any special steps have been taken towards giving the other party an opportunity of furnishing an explanation.

Here we have the assertion by the Governor General of Canada that no case of espionage had been detected in Canada, and that therefore Canada as a nation had no reason to break the arrangement. To that communication the Secretary of State replied:

Such information as was obtained from Arcos raid directly relating to Canada consisted of addresses found in possession of Anton Miller.

Curiously enough most of the addresses were found to be located in the loyal city of Toronto, and the names mentioned were of good Anglo Saxon origin. No mention was made in the despatch concerning the activities of those persons, nor was any mention made of any subversive propaganda being carried on in Canada. Without waiting for further evidence, on the 26th May, the day following the despatch from Mr. Amery, the Governor General wired the following to the Secretary of State for Dominion Affairs:

So far as Canada is concerned there has been a steady and substantial growth of trade under the agreement and there has not been any substantial ground of complaint as to espionage or propaganda against the present official agent in Canada.

Of course, the reference here was to the Russian agent.

My ministers have concluded that the evidences of espionage and subversive propaganda set forth by your Prime Minister make it clear that an essential condition of the agreement as entered into by Canada as well as Great Britain, namely, that each party should "refrain from hostile action or undertakings and from conducting outside of its own borders any official propaganda direct or indirect against the institutions of the British Empire," has not been fulfilled. In order to remove any doubt as to whether the agreement lapses automatically and having regard to all the circumstances, they have accordingly decided to terminate the agreement.

So that as the matter then stood, Mr. Speaker, after the Canadian government had admitted and asserted officially and unreservedly that no evidence of communistic propaganda had been found in Canada, before they had received even the text of the speeches delivered in the Imperial House of Commons, they terminated our agreement with Russia—again by order in council. But they left private individuals still free to deal with each other as they thought fit and under the ordinary risks of trade between two countries that have no special treaties or trade agreements, but are not at war with each other. Such was the situation till last year, when, at the fall session, a bill was passed to amend the customs tariff, under section 2 of which it is provided:

The governor in council may, from time to time, prohibit the importation into Canada of

any goods exported directly or indirectly from any country not a contracting party to the Treaty of Versailles, executed at Paris, France, on the 28th day of June, 1919; and any order of the governor in council prohibiting the importation into Canada of any goods from any such country shall be published in the next following issue of the Canada Gazette.

Now, Mr. Speaker, I readily take my share of the blame in having given to the government this power to deal with a matter of great importance by order in council, and in that respect I admit that the government has at least acted constitutionally according to the narrow interpretation of parliamentary practices. But was it contemplated by the government or by the house to interrupt trade relations with Russia on moral grounds? That would have opened a very broad aspect of the question. Referring to the debate which took place, I think I can show clearly that it was not the intention of the government, and therefore that, although they received the power under this clause to pass such order in council, they did not receive from this house any mandate to pass it as an expression of opinion of Canada upon any matter of policy, social, religious or otherwise. I quote from the explanation given by the Prime Minister at page 470 of the debate last fall:

The limitation here is wider,—

Referring to some other legislation—

—but it is to meet the possibility of an unusual situation that may arise between now—

That is, September 19, 1930—

—and the next session of parliament. It is the only method that it is thought will meet the situation without incurring the criticism of, in a statute, anticipating, shall I say, discourtesy to any peoples with respect to the export of their commodities. It stands in the mere position of being there as an instrument for national well-being if it is desirable for that purpose to use it. Otherwise, of course, it will not be used.

Later on the member for Prince (Mr. MacLean), made the statement:

I have before me some startling campaign literature stating that Mr. Bennett would stop the importation from Russia of 125,000,000 tons of coal. It states that this coal is mined by the Soviet, an enemy of Christianity.

Mr. Bennett: Who said that?

Mr. MacLean: There is a slight difference in—

Mr. Bennett: Who said that?

Mr. MacLean: It appears in campaign literature which I have on my desk.

Mr. Bennett: The hon. gentleman will not connect that language with me.

Mr. MacLean: No, I am not saying that.

Mr. Bennett: I just wished to make that clear.

So I think it is quite evident that the legislation which was passed last fall was not contemplated, either by the government or

by the house, as anything else but power given to the cabinet by order in council to stop the importation of certain goods on due grounds of—shall I say?—industrial or economic policy, and the Prime Minister took great care to dissociate himself from any moral motive that could be attributed to him or to the government in connection with this matter.

I am insisting on this point, Mr. Speaker, because in the province of Quebec, at least, this measure has been presented primarily, exclusively, emphatically, by the legislature of Quebec, the so-called Liberal government, and a Conservative opposition vying with each other as to which group would congratulate the government in warmer terms, as a great move in combating "the perils of communism and atheism." The city council of Montreal, which is at present under the sway of the leader of the opposition in the local legislature, also adopted resolutions of congratulation. One of the city councillors went so far as to say that this was the beginning of a crusade against atheism and communism. It is on this ground particularly that I want to make myself clear and to dissipate some of the equivocations that have been developed especially in the province of Quebec.

As regards the principles and practices, as much as we know them, that have been carried on in Russia since the revolution, not only of October but of March, 1917, I declare myself what I have been all my life long—a Christian and a Canadian citizen imbued with the principles of British government as we have applied them for half a century now. I hate atheism as a Christian, I hate communism as an adherent to the doctrine of social order and economic liberty. But, Mr. Speaker, I would not be a Christian, I would not be a British subject, and I would not be imbued with the principles of social liberty, if I would not assert at the same time that the economic system under which the United States and Canada have grown, progressed or retrograded, for the last twenty-five years, the capitalistic system upon which rests the whole policy of North America, is just as antagonistic to the principles of Christianity, of social justice and of British tradition as is the communistic and atheistic system which now prevails in Russia. And for my part I repeat, as a Christian and as a Canadian, I do not consider that we have received either from Providence or from the conscience of the Canadian nation any mandate to teach lessons to other nations.

But suppose that, contrary to what was stated last fall by the Prime Minister, the main object of this order in council was to protest against communism and atheism, would not the protest have been far more emphatic if it had been made by the parliament of Canada? Communism has prevailed in Russia ever since 1917, and from that time also atheism has been taught in that country. Parliament never protested; neither the Conservative nor the Liberal government raised its voice against these doctrines. They did not protest against the murder of the czar and the czarina and their children. On the contrary, they entered into an agreement with the murderers. They made trade arrangements with the propagandists of communism and atheism, and the succeeding government carried on these things until Sir Henri Deterding, not having been able to close a bargain with the Russian government on matters of business, secured from his friend Sir William Joynson-Hicks the Arcos raid which compelled Great Britain to sever her relations with Russia.

I do not think religion had much to do with that. But, it is suggested that solicitude for the principles of religion and social order is at the basis of this order in council; that is asserted by the legislature of Quebec and the city council of Montreal. Well, I am puzzled. Our religion forbids us to purchase coal from Russia; with our sense of order we stand aghast at the idea of purchasing pulpwood from that country. But our religion invites us to go and kiss on both cheeks the representatives of Russia in order to sell our wheat in conjunction with them. I say, I am puzzled both in my religion and in my policy; and I think many other Canadians will be similarly puzzled.

I remember a good many years ago in the old house a farewell speech delivered by Mr. Blair when resigning as Minister of Railways in protest against the contract entered into between the government and the Grand Trunk Railway Company for the building of the Transcontinental. Replying to an eloquent sentence in Sir Wilfrid Laurier's speech, "But the country demands it; the country cannot wait," Mr. Blair said: "Perhaps the truth is that Senator Cox cannot wait." Perhaps in this instance it is not so much the religion of the people of Canada which is imperilled as that of Senator Webster, who controls the importation of Welsh coal, or the social sense of Sir Herbert Holt, who monopolizes, to a large extent, the pulp and paper trade, his only rival being the International Paper Company.

A gesture of this nature must be, first, true; secondly, it must be effective; and

thirdly, it should receive the moral sanction and support of the nation, if it is to have any weight. I remember a good saying of old Metternich. Once he was asked to protest, in the name of Austria, which was then still the predominating power of Europe. I believe the request had been sent by Mr. Guizot, but it does not matter. The reply was, "A self-respecting government does not speak unless it is capable of making its words good." Now if, after the revolution in Russia, the great nations of Europe with which we were united had concluded a sensible peace; if for a moment the French and English had been able to forget their rancours against the Germans; if Italy had been satisfied with a fair portion of the plunders of war; if they had realized that Christendom, or, if you prefer, western Europe needed all its united forces to face the menace that had arisen in Russia, first in March 1917, and later in October of that same year: then, Canada, having played a part in the war which precipitated the revolution in Russia, might have joined the forces of resistance for the salvation of Christendom and the preservation of political liberty, liberty of trade, and established traditions; not to impose our will upon Russia, but at least to help Europe in preserving itself against the penetration of communism and other Russian practices. But the great nations with which we were associated did not do anything of the kind. Even after so many years of experience, especially after two years of experience of the Russian revolution, the European countries were determined to crush Germany and to exact from her terms with which they knew she could not comply. They were determined to weaken the only barrier that remained in Europe against the spread of political, economic and, perhaps to-morrow, military bolshevism. One of the most determined nationalists in France, and one of the best informed Frenchmen on foreign affairs, Mr. Jacques Bainville, expressed the view in the midst of the war, and under censure from old Clemenceau, that the only force capable of putting some order into Russia was Germany. I shall never forget a conversation I had with one of the most enlightened Englishmen of the last twenty-five years. It was during the war, and I asked him what he thought of it all. "An understanding between England, France and Germany to check Russia." Then the pope submitted his peace proposals. But he was not listened to. By the way, where are the French Canadian Catholics who gave moral support to Pope Benedict when he appealed to the conscience of nations to restore some degree of peace in Europe and to stem the tide of revolution? Not till the trade of Senator Webster was in danger did the conscience of Quebec awaken. At any rate, those supporters were very few and not very strong. However, let that pass. The peace was concluded in such a manner as to disarm what remained of Conservative forces in Europe; and since then, all the countries of Europe, with the possible exception of England, have been shaken, at least to some extent, by the struggle between the forces of revolution and the counter forces of autocracy. Now, I do not think that Europe has put itself sufficiently into moral and political order to attempt to settle the affairs of Russia. Are we then going to do it all by ourselves? I do not think so. And, I repeat, —in this regard I am speaking of government at large, without any party spirit—it is not the business of a self-respecting and serious government to teach lessons which it has not itself learned.

Mr. LAVERGNE: In other words, if we cannot prevent evil, let us take part in it?

Mr. BOURASSA: It is not a question of taking part. I will carry the question still further. If we are going to put a stop to trading between Canadian citizens and the citizens of countries that are conducted on non-Christian principles, where are we going to trade? There are more atheists to-day in the United States of America than there are in Russia.

Mr. LAVERGNE: But they do not use the same propaganda.

Mr. BOURASSA: When millions of Russians are standing up for their religion and risking and giving their lives for their convictions, I still have hope for the revival of that great nation. I do not believe in a revival of Christianity in the midst of wealth and materialism. If we are not going to trade with a nation which practises atheism, are we going to stop trading with the United States? It is said that Russia has taken practical and effective means to replace religion with atheism, but I regret to say that no country has so penetrated the minds of its youth with practical atheism as did the French government forty or fifty years ago.

Mr. LAVERGNE: But they did not use the same method.

Mr. BOURASSA: It was less barbarous but far more effective. The barbarous methods were discarded. But what did they do? They not only expurged the name of God from

the textbooks; they even falsified the most illustrious classics of France. I have seen the Fables of Lafontaine, one of the first books put into the hands of boys and girls of twelve and fourteen years of age, falsified in order to erase the name of God. Did the Conservatives or Liberals of that day, in Canada, suggest that we should break off relations with France and stop trading with that country because that government was carrying on propaganda against creeds and against religion much more effectively than that carried on during the days of the French revolution, and more effective than that now being carried on by Russia?

Mr. LAVERGNE: Does my hon. friend think that the French clergy approved the second method as compared with the Russian method?

Mr. BOURASSA: I am not speaking for the French clergy, but I know that the most enlightened French clergymen acknowledge that in France religion has been held down much more effectively under that regime than it was under the regime of brutality carried on in the first revolution. I do not approve of either method, I simply say that I cannot see upon what political, moral, economic or other ground, we have a mandate to do what no other nation has done. It may be said that this is to be an example, but if it is to be an example why was not the sense of parliament asked? The following comment was issued on the day the order in council was passed:

> The government is convinced that there is forced labour in the cutting and transport of timber and in the mining of coal, that political prisoners are exploited, that the standard of living is below any level conceived of in Canada, and that broadly speaking, all employment is in control of the communistic government which regulates all conditions of work and seeks to impose its will upon the whole world. This is communism, its creed and its fruits, which we as a country oppose and must refuse to suport by interchange of trade.

If that is the motive for passing this order in council why did the Prime Minister take such pains at the last session to explain that he did not want to pass the order in council upon that ground? He twice interrupted the hon. member for Prince (Mr. MacLean) when he suggested that that was the reason. If our sense of honour is so high, if our horror of the Russian nation is such that we cannot purchase coal, furs and pulpwood from them, how is it that the official representative of Canada when in Rome invited the Russian government to commune with us in the solving of the problems of our wheat trade? Mr. Ferguson's invitation did not include Great Britain—the "murderers" were invited, but our allies, the British, were excluded. Mr. Ferguson made it quite clear that he did not want the British; he did not want the consumers, he wanted only the producers. If that invitation had been accepted, the Russian delegates, the representatives of a government of "murderers" and "atheists", would now be the guests of Canada and they now would be embracing certain hon. members of this house.

Mr. GARLAND (Bow River): They would not embrace them.

Mr. BOURASSA: They would be the guests of Canada and receive all the diplomatic courtesies and privileges accorded to the representatives of the other nations. How can the so-called moral lesson be applied under such circumstances?

I will not discuss at length the economic aspect, but I will quote the opinions of a couple of men who have nothing in common with communism and who have no sympathy with atheism, Sir George Paish and Lord Arbuthnott. When Sir George Paish came to Canada a few weeks ago he spoke in both Montreal and Toronto, and I think his words are worth while referring to. Sir George Paish was the only man of authority—I know one without authority—who ten years ago predicted what has now occurred, the present crisis. He showed the fallacy of the false prosperity which has made worse the present crisis. He now states that we must desire the five-year plan to succeed in Russia because that is the only salvation of our economics. If the five-year plan succeeds, then the Russians will not attempt to ship all their goods to foreign countries, but they will ask for a larger part of them to be retained in order to improve their own lives.

I do not think Lord Arbuthnott has any revolutionary tendencies. He was once a great cattle raiser, in Canada, I think. When asked whether or not he expected the plan to succeed he said: I do not know, but I know this much, that if it succeeds, we will have to revise all our conditions of production and interchange of trade.

Some time ago, I was in France—the Prime Minister reproached me with this some time ago, but travel is my only luxury—and during that time three things happened in the sphere of European and international affairs: the Imperial conference, the round table conference relating to India, and the famous trial in Moscow in connection with the so-called sabotage of the five-year plan. I followed the proceedings of these three interesting

events with great interest, the last one especially; but what struck me most forcibly was this. In a letter written by a French economist in a most conservative and authoritative organ of the French press, le Temps, he gave this warning to the leaders in France in politics, diplomacy and economics: Do not make any mistake; if the Russian people put up with the exigencies of the situation, the five-year plan is going to succeed.

Mr. LAVERGNE: Heaven help us then.

Mr. BOURASSA: Yes, heaven help us then, I admit, but this brings me to this aspect of the question: Is there danger in Canada of a spreading of bolshevism? Bolshevism is, of course, merely a word. Is there danger of a spreading of the principles or practices or policies pursued in Russia? I am not one of those who take either too optimistic or too pessimistic a view of the situation, but I am sure of one thing: if there are occasional and local eruptions of feeling, if there are symptoms of economic or social or even religious revolution in Canada, this will be not on account of what is done in Russia but on account of what is lacking in Canada. If there is one thing which a study of history teaches, it is this: that revolutions occur in any country and at any period not on account of the actions or the feelings or the policies of far-distant governments, but on account of the conditions in the countries in which those revolutions occur.

Mr. LAVERGNE: May I be permitted—

Mr. BOURASSA: Would my hon. friend kindly respect the rules of the house? I have never interrupted him; I have never interrupted anybody. I am old and somewhat nervous, and I ask his gracious permission to proceed. He will have plenty of opportunity to speak.

Mr. LAVERGNE: My hon. friend should not make statements which are not correct.

Mr. BOURASSA: What brought about the success of the revolution in Russia? If I may sum up what I have gathered after ten years of reading, studying and inquiring from men of all shades of opinion, Frenchmen, Englishmen, Germans, Italians, Catholics, Protestants, unbelievers,—I have lost no occasion to inform myself as to the state of affairs in Russia; in 1922 I spent three months in Rome, and I came into contact with some of the men who organized the various works of help in Russia, men who have known intimately the Russian nation—and the consensus of opinion of all was this: What brought about the extraordinary success of bolshevism was the defects, the vices of the regime which preceded it. I do not mean czardom alone. I think the poor devil of the czar, as in France prior to the revolution the poor king of France, was the scapegoat of many, many sinners. I would put it broadly as lack of responsibility on the part of the leading classes, whether czar, bureaucrats, or noble absentees, spending on the Riviera by millions money gathered from the peasantry of Russia with whom they had no contact. The absenteeism of the landowners was the curse of Ireland for centuries; it was the curse of France in the century and a half which preceded the French revolution. What prevented England during her great upheaval from falling into the same abyss into which France fell 140 or 150 years later, or into which Russia fell a few years ago, was that the English landlords, with all their defects, their narrowness of mind and class spirit, at least lived on their lands. They fulfilled some of the social functions and duties for which they had received their privileges. The English merchants were patriotic; they were sometimes narrow and sometimes grafting in their trade relations, but when the nation came to a crisis they were generous in the disposal of their wealth in order to help out their country. At times they espoused the cause of the people against the king; at times they sustained the authority of the king; but with their faults and mistakes they at least, to the best of their knowledge, fulfilled their social functions. In any country, especially in every large country where you have an immense population that has been groaning for centuries, deprived of the elements of comfort and civilization, and where you have a privileged class enjoying all the privileges and not fulfilling its duties, there is bound to be revolution. Revolution is a punishment permitted by God to reestablish the proper order of things. It is the necessary purgation of the sinning society. I do not like it, but it is the application of the word of Christ, there must be scandal. So much the worse for the scandalist, but there must be scandal.

I repeat: Is there danger of the spread of revolution in Canada? Yes, there is. I do not think it is close upon us, but the germs are here. It is not a question of a supreme king or czar or kaiser; it is not a question of an aristocracy living in laziness and luxury; but with the evolution of economics that has taken place in the United States and Canada in the last fifty years, we have in certain respects something which is worse than any irre-

sponsible monarchy or leisured aristocracy that can at least invoke the past services of its ancestry, and it is a plutocracy without any responsibility. Let the brand of communism or socialism be put upon me, but I stand on the solid ground of traditional Christian social law as it was defined last week in that memorable encyclical which I commend to the attention of every hon. member, whether he be Catholic or Protestant, where the principles of social justice are once more defined and given to the world—as the only salvation possible. Of course the upholders of capitalism without restraint, the classes and the institutions that profit by our present system, will point out in that encyclical those proposals which denounce communism and condemn socialism. But let them read the whole of it and they will find that the system upon which wealth in Canada and in the United States is so unevenly divided to-day that millions and millions of dollars have been accumulated in the hands of a few individuals or corporations, while millions of people are on the verge of starvation, the economic system under which you have a surplus of rural production which the farmers of the west or of the east cannot sell and which the consuming population of the cities cannot purchase because they have no work,—that system, in the very words of the head of the Catholic church, stands condemned just as much as the communistic system in Russia; and I hope those who pose as the champions of religion in Quebec will read the whole of that encyclical and turn their activities towards curing the social and economic iniquities of Canada before they utter empty words in regard to the deeds of a government over which we have no control.

The other day I was reading casually a very sensible reflection by a minister of the United Church in Montreal, Doctor Lloyd Douglas. He is evidently a well-informed man, and while combating socialism and communism just as strongly as the pope does, he comes out with this reflection:

> It will do no good to try to ride communism down with police horses, or ridicule it with funny bewhiskered cartoons, or squelch it by law. Either communism will solve some serious economic difficulties or it won't. If it will, and if it does, there is no sentiment or coercion that will stop it, and if it won't work, no propaganda can keep it alive.

There is a good deal of sense in that. There is something else I would commend especially to the attention and reflection of my Catholic friends since, unfortunately, religion has been introduced into this subject in Quebec, but which I commend also to all members right and left. I refer to a course of lectures delivered last winter by a humble Catholic priest in Detroit, Father Coughlin. Unable to reach the public through the press, because the press in the United States as in Canada belongs to the privileged class of plutocracy, he installed in his church a broadcasting station to communicate abroad his short Sunday sermons. If any man was to utter in the province of Quebec the propositions contained in those sermons, which have been published with the official approval of the bishop of Detroit, he would be branded as communist and socialist.

Mr. HEAPS: And seditionist.

Mr. BOURASSA: Yes. Of course, he condemns socialism and communism, but he turns to the men who have in their hands the powers that be—law, political authority and money—and what else is there of power in America, I ask you? What else remains in the hands of the state? Even at that I must correct myself. Wealth is not a power in the hands of the state. Wealth in North America is a power in the hands of irresponsible and anonymous corporations, which take partners from among all the political parties in Canada and the United States, and take partners from among the common people as well, in order to prevent the exercise by the state of that authority which forty years ago Pope Leo XIII, and which this last week Pope Pius, has defined as being the primary duty of the state, namely, to intervene in order to prevent a few individual companies from owning millions and millions of dollars whilst millions of the common people are starving. Those passages of the encyclical will not be commented upon favourably in such organs as the Montreal Gazette. The Montreal Gazette has given a very fine eulogy on the encyclical commending that part which condemns communism; but if we want to do our duty we must see to it that those evils which produced communism in Europe, and which threaten to produce communism in the United States and also in Canada, are dealt with with a firm hand. May I give a couple of examples from Montreal just at random? We have in Montreal a monopoly of gas, electricity and power.

Mr. McGIBBON: No monopoly of the first.

Mr. BOURASSA: It is the biggest monopoly in Canada to-day. The Montreal Light, Heat and Power Consolidated was originally three independent companies supplying gas, electricity and power. Now these three independent companies are all combined in one, under the authority of the legislature of Quebec, that same legislature which is so strong, both Liberals and Conservatives, in condemning the government

in Russia. The Financial Times, or the Financial Post, I am not quite sure which, some three or four years ago, issued a statement commenting on the situation of the Montreal Light, Heat and Power Company, which has combined all those independent companies into one, explaining that through the distribution of stock for which not one cent of money was paid by any shareholder of the company, the holders of the original shares of the Montreal Gas Company and of the Royal Electric Company then possessed eleven times the amount they originally held, but that the company was so considerate of its consumers that it had never raised the dividend beyond 7 per cent. But, Mr. Speaker, 7 per cent on the capital, multiplied eleven times, amounts, if I am not mistaken, to 77 per cent; and I am told that since then there have been three further distributions of stock for which nothing has been paid by the shareholders, so that at the present time the shareholders of the Montreal Light, Heat and Power Consolidated receive practically 98 per cent on the amount of money that was originally subscribed.

I will give another example, that of the greatest insurance company in Canada, the Sun Life. Not long ago I was comparing their two statements of 1929 and 1930. In 1929 they paid a dividend equivalent to 50 per cent on the share capital. This year the surplus of their assets over their liabilities has decreased from $62,000,000 to $33,000,000, a decrease of $29,000,000. Their reserve for doubtful stock has been decreased from $12,500,000 to about $5,000,000. On the other hand, they increased their capital investment in their enormous and monstrous building in Montreal from $11,000,000 to $23,000,000, and they have raised their dividends to their shareholders to 75 per cent of the capital. Now I ask, in the face of such things, are we entitled to teach lessons in Christianity and social order to other countries, when during last winter we had thousands and thousands of fathers of families not capable of purchasing a pound of bread for their children, receiving alms from charitable institutions and from city councils, and when we have hundreds of thousands of children raised in Montreal in dwellings that are not fit for human beings? When we see such a monstrous concentration of capital, when we see especially that unchristian and unsocial creation of fictitious capital, which you and I and every other consumer of food or clothing or any other human need, have to pay for, do you not think, sir, that it is about time that we should look to ourselves and put some degree of Christianity into our own social and economic polity before we launch a crusade against coal and pulpwood, but not including wheat, because there are too many farmers in the west who want to sell wheat? Joseph Chamberlain, in the days that preceded the alliance of Great Britain and Russia, when he was trying to make a bargain with Germany in order to crush France and Russia, speaking of the barbarous Russian, said, "If you want to sup with the devil, you must use a long spoon." We do not want to sup or dine or breakfast with the devil as far as coal is concerned, because it may hurt Senator Webster's trade. We do not want to take Russian pulpwood because it may endanger the speculative stocks of Sir Herbert Holt. In order however to relieve the sufferings of our northwestern friends we are prepared to breakfast, dine, sup and take the last cup with those devils, with very short spoons, and even to drink from the same glass with them, as I think Mr. Ferguson has done this week.

I do not think there is any necessity to dwell further upon this subject. I thought it was my duty to discuss the matter for several reasons, one of which is that I am an old man. I have not much to risk; my political future is rather limited. My principles and ideals are well known both in my province and outside. I have put up many a battle, perhaps wrongly at times, for what I thought to be my duty to my country. Throughout those battles may I say without boasting I always had in mind two guiding thoughts. Whatever my faults and mistakes may have been I have never sacrificed what I thought to be my convictions as a Catholic, my duty to my race or to my country. But more than anything else I have hated the making use of either religion or racial sentiment to achieve political ends or mercantile purposes. I have no respect for such motives. I do not charge the government with having had such motives in view. I have quoted from the remarks made last year by the Prime Minister to the contrary. The previous administration made a mistake in 1927 when by a very feeble act they acted upon the telegraphic order from Mr. Amery. In the present instance I am afraid the government has not resisted the temptation of gathering a little cheap success in the province of Quebec. All parties have done it at turns, and I do not brand such action as a crime. However I thought it my duty to bring the matter before the house. Having been interested in the affairs of the nation for forty years I want to warn my people in the province of Quebec against the delusion that

this little measure will have any effect whatever either in Russia, in Europe or even in Canada. It cannot have. The effect it could have had as a moral lesson has been destroyed by the simultaneous action of the government refusing to trade with Russia in certain matters but agreeing to deal with her in other matters. So much for the moral standpoint. The political lesson is lost when we think of the attitude taken by all the nations of Europe with which we are united. If it is stated that we owe a debt to our dignity I repeat that we must think of the consequences. At this point may I give an example to my Catholic friends and at the same time beg the pardon of my hon. friends who are not Catholics but who will realize my interest in raising the point?

In 1922 I was in Rome when the Genoa conference was called, the first conference following the war to which Germans and Russians were invited. Mr. Lloyd George was responsible for the convening of the conference, Mr. Briand agreed; but Mr. Poincare raised such a turmoil in the French chamber that Mr. Briand was defeated. The conference accomplished nothing for the time being but nevertheless the ice was broken. When the delegates from the nations arrived at Genoa, including Mr. Chicherin, one of the primary leaders of the bolshevic government, the venerable Cardinal Archbishop of Genoa received the delegates, including the representative of the government of Russia. The Archbishop shook hands with the delegates and appealed for the blessing of God on their deliberations for peace. Immediately some French Catholics raised their hands in horror. I am afraid some of them were more concerned with their unredeemed loans to Russia than their religious principles, because their protest was upheld by men such as Mr. Poincare and others, who had no connection whatever with Catholicism or Christianity. Those French Catholics criticized the Archbishop of Genoa for having shaken hands with the representatives of the murderous government of Russia. On the other hand however, the pope,—the same pope who condemns communism, who condemns socialism, who protested against the crimes of Russia when all the governments of Europe were simply concerned with trying to make bargains with Russia,—the pope wrote a letter to the Archbishop of Genoa congratulating him for having gone to meet the men who were convening the first time for the purpose of establishing peace. Could not our Catholic friends in Canada have some degree of the breadth of mind and wisdom of judgment of the Roman authorities? I am always surprised by some of the attacks made against the pope in the non-Catholic papers of Canada. They ought to know that the pope is bigger and broader minded than many Catholics in this country.

Mr. LAVERGNE: Hear, hear.

Mr. BOURASSA: The authorities in Rome are strict on matters of principle; the pope will suffer anything rather than sacrifice one principle. He will condemn communism in Russia, Canada or the United States, because he believes the principles of communism are incompatible with those of Christian social philosophy. But when it comes to dealing with men, the pope tries to make use of what is good in the sinner. Pope Pius IX has been the strongest opponent of revolution in Europe during the last century. But one day a French royalist was talking to him of the curses of the great revolution in France. To which the author of the syllabus and of so many condemnations of socialism and even of liberalism replied: "There is no such thing as absolute evil; there is only absolute good and absolute truth, and that is God himself. Even some good arose from the French revolution." The question was asked, "But, holy father, what can you point out that was good?" "Equality of all men before the law" replied Pope Pius IX.

Purely by hazard I was reading last week the very interesting memoirs of a Russian royalist who entered Russia in disguise three years ago to find out what had become of his son who had disappeared with the army of Denekin during one of the attempts to throw down the bolshevik government. The author of the book, who himself is a royalist, entered into communications with the hidden royalists of Russia. He hopes for the downfall of the present regime and predicts the restoration sooner or later of czardom in Russia, but his conclusion is that the first duty of the restored monarchy will be to maintain all it can of what good has been accomplished by the present government in Russia. I am not revising or opposing this judgment, I am simply saying this: ignorant as we are of what is going on in Russia, incapable as we are of doing anything practical to save our traditions or our principles or our notions of social order in Russia, for heaven's sake let us mind our own affairs, and introduce into Canadian policy, Canadian business and Canadian social arrangements some of the principles of Christianity. I think thereby we shall render a much better service both to religion and to society than by simply uttering empty words.

In conclusion, Mr. Speaker, I beg to move, seconded by Mr. Neill the following amendment:

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

the house regards the growing practice of deciding by order in council important matters of public policy as an encroachment upon the duties and privileges of parliament and a violation of the principle of responsible government.

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

Thursday, May 28, 1931

The house met at three o'clock.

REPORT OF COMMITTEE

Fifth report of the select standing committee on railways, canals and telegraph lines—Mr. Harris.

AGRICULTURE AND COLONIZATION

Mr. M. C. SENN (Haldimand) presented the first report of the select standing committee on agriculture and colonization.

Mr. SENN moved that the report be concurred in.

Motion agreed to.

AGRICULTURAL PRODUCTS

COMMITTEE ON AGRICULTURE EMPOWERED TO CONDUCT INQUIRY INTO METHODS OF HANDLING AND MARKETING

Hon. ROBERT WEIR (Minister of Agriculture) moved:

Whereas the marketing of Canadian farm products of all descriptions is a matter of very major importance.

Therefore, be it ordered by this house that the committee on agriculture and colonization do proceed with an investigation into methods of handling and marketing agricultural products of all kinds and that they be given authority to call such witnesses to this end as may seem to them necessary and report from time to time, and that the committee be granted leave to print 1,000 copies (English) and 300 copies (French) of each proceeding and of the evidence to be taken by it, together with such papers and documents as may be incorporated with such evidence for the use of the committee and for the use of the members of the house and that standing order 64 be suspended in relation thereto.

Motion agreed to.

[Mr. Bourassa.]

NATIONAL REVENUE DEPARTMENT

SUPERANNUATION OF MR. J. ARTHUR BERNIER

Mr. J. A. DENIS (St. Denis) (Translation): After carefully looking over file No. 205, brought down at the request of the hon. member for l'Assomption-Montcalm (Mr. Seguin), with reference to the superannuation of Mr. J. Arthur Bernier, former district inspector of customs and excise at Montreal, I note that certain documents are missing in connection with the inquiry held by Mr. Lafontaine. I wish to inquire whether the government will complete this return as asked for by the hon. member for l'Assomption-Montcalm.

Mr. SPEAKER: If the hon. member has a statement to make he should make it.

Mr. DENIS: I am simply asking that the return to order No. 205 be completed.

Mr. CASGRAIN: The hon. member's question has reference to the Department of National Revenue.

Mr. SPEAKER: Will the Minister of National Revenue (Mr. Ryckman) take notice that the hon. member complains that a file which he asked for is not complete?

PRISONS AND REFORMATORIES

Hon. HUGH GUTHRIE (Minister of Justice) moved for leave to introduce Bill No. 72 to amend the Prisons and Reformatories Act.

He said: Mr. Speaker, the purpose of this bill is to make two slight amendments to the act respecting female prisoners of the Roman Catholic faith in the provinces of Nova Scotia and New Brunswick. Requests for these amendments have come from the governments of these provinces and from the ecclesiastical authorities of the Roman Catholic church. They refer to the treatment of prisoners of the Roman Catholic faith under the ages of sixteen and twenty-one years in cases of minor offences, and provide for confinement in certain homes.

Motion agreed to and bill read the first time.

BANKRUPTCY ACT AMENDMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved for leave to introduce Bill No. 73 to amend the Bankruptcy Act.

He said: Mr. Speaker, the amendment to the Bankruptcy Act proposed by this bill is to meet a situation which has arisen by reason

of provincial enactments in certain provinces, notably in the province of Ontario, in respect to motor car insurance. The object of this bill is to secure the rights of an injured party in reference to personal injuries or in reference to damaged goods in the event of an accident; to prevent the insurance policy falling into insolvency rather than being used to pay the claim of an injured person. This bill is to preserve the right of an injured person to collect insurance money.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 50, respecting The Canadian Woodmen of the World.—Mr. Fraser (Northumberland).

Bill No. 54, for the relief of Agnes Sarah Evelyn Ballard McNaught.—Mr. McKenzie (Assiniboia).

Bill No. 55, for the relief of Dorothy Helen Marie Debnam Almon.—Mr. Jacobs.

Bill No. 56, for the relief of Rosa Maud Thomson Checketts.—Mr. Bell (St. Antoine).

Bill No. 57, for the relief of Mary Ellen Margaret Montague Burrows.—Mr. Lawson.

Bill No. 58, for the relief of Olive Hamley Fraser Mann.—Mr. Willis.

Bill No. 59, for the relief of Eleanor Fritz Lawson.—Mr. Bell (St. Antoine).

Bill No. 61, for the relief of Ellen Jane Easton Graham.—Mr. Bell (St. Antoine).

Bill No. 64, for the relief of Joseph Norman Berger.—Mr. Bell (St. Antoine).

Bill No. 65, for the relief of Carl Vohwinkel. —Mr. Bell (St. Antoine).

Bill No. 66, for the relief of Joan Marguerite Loggie.—Mr. Geary.

Bill No. 67, for the relief of Alice Boyne Ostiguy.—Mr. Bell (St. Antoine).

Bill No. 69, for the relief of Eileen Sybil Wolfe.—Mr. Factor.

Bill No. 70, for the relief of Helen Borland Beattie MacNicol.—Mr. Bell (St. Antoine).

Bill No. 71, for the relief of Lillian Freedman Guttman.—Mr. Factor.

ROSENBERG DIVORCE BILL

On the order:

First reading of Bill No. 68 (from the Senate) for the relief of Ruth Rosenberg.—Mr. MacNicol.

Mr. MacNICOL: In reference to Bill No. 68, I see someone has used my name as sponsoring it. I do not know anything about it and I did not give my consent to have it on the order paper.

Bill stands.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*DOMESTIC FREIGHT RATES ON WHEAT

Mr. NEILL:

1. Has the question of reducing the domestic freight rates on wheat, etc., shipped from the prairies to British Columbia been appealed to the Privy Council of Canada, or to the government, from the decision of the Board of Railway Commissioners?
2. If so, when was such appeal received?
3. When may a decision be expected?

Mr. BENNETT: This question was answered during the progress of the discussion a few days ago on the motion of the hon. member for New Westminster (Mr. Reid). The position is that the defeat of the former government ended the appeal; a new appeal was entered in September and there has been no opportunity so far to hear it. The other day I said that action would be taken as soon as opportunity was offered. I should think under those circumstances the hon. gentleman would perhaps drop the question.

Question dropped.

VANCOUVER HARBOUR BOARD EMPLOYEES

Mr. MACKENZIE (Vancouver Centre):

1. Have any of the dismissed ex-service men on the strength of the Vancouver harbour board police force been reinstated?
2. If so, what are their names?
3. Have any new appointments been made in the place of dismissed ex-service men?
4. If so, what are their names?
5. Has one Peter Brennan been taken on by the Vancouver harbour board as watchman?
6. If so, what are his qualifications, his previous experience, and recommendations on his behalf?

Mr. DURANLEAU:

The following answers have been furnished by the Vancouver harbour commissioners:

1. Yes, as watchmen.
2. Francis Waters; James Davidson; Wellington Dixon Cook.
3. Yes.
4. A. McCully; Harry G. Smith (ex-service men); Charles A. Ross.
5. No.
6. Answered by No. 5.

BOVINE TUBERCULOSIS

Mr. GOBEIL:

1. Did the federal government receive from the government of the province of Quebec a request conforming to a resolution relating to bovine tuberculin adopted by the Quebec legislature on March 21, 1929, and reading as follows: (a) "That tuberculin tests should be regulated and made in such a way so as not to necessitate the useless slaughtering of herds; (b) that the governments of Canada and Quebec should have an understanding for the purpose of granting a reasonable indemnity for any herd of animals necessarily slaughtered following a tuberculin test made or ordered by an officer of either government?"

2. If so, on what date was above mentioned request received?

3. Did the federal government receive since March, 1929, other requests or representations from the government of the province of Quebec regarding bovine tuberculosis, and relating to indemnity for slaughtered herds following tuberculin tests?

4. If so, when and through what minister?

Mr. CAHAN:

1. No.

2. Answered by No. 1.

3. No.

4. Answered by No. 3.

MARIA, QUE., WHARF

Mr. MARCIL:

1. Has Mr. Isidore Bernard been appointed caretaker of the freight shed on the wharf at Maria, Quebec, and is he authorized to collect dues?

2. If so, when was he appointed, on whose recommendation, and what is his remuneration?

3. What is the rate exacted per 100 pounds?

4. Has the wharf been transferred to the Marine department, and has a wharfinger been appointed, if so, what is his name, and his remuneration?

5. Who is the caretaker of the light on that wharf, and what is his remuneration?

Mr. CAHAN:

1. No caretaker appointed and no one authorized to collect dues by the Department of Public Works.

2 and 3. Answered by No. 1.

4. The wharf has not been transferred to the Marine department, and a wharfinger has not been appointed.

5. Bernard Porlier, $120 per annum.

DE CEW FALLS POWER DEVELOPMENT

Mr. GARLAND (Bow River):

1. Did the dominion government authorize the diversion of water in the de Cew falls power development?

2. If so, what amount of water was allowed by the original agreement?

[Mr. Duranleau.]

3. What was the original diversion agreed to?

4. What was the original number of horse-power developed?

5. What rental was charged for this horse-power?

6. Has a new contract been entered into?

7. What additional horse-power has been agreed to?

8. What are the terms of the new contract?

9. What price is being charged for the additional water?

10. What is the total sum of all payments made, in regard to this project, to the dominion since its inception?

Mr. MANION:

1. Yes.

2. 100 c.f.s. (cubic feet per second) by lease dated October 8, 1897.

3. Answered by No. 2.

4. Not known definitely, but about 2,200 H.P. of electrical energy could be developed from 100 c.f.s.

5. Under the lease of October 8, 1897, the annual rent for the lease flow was $3,000. This lease also contained a clause providing for payment of double rental for the use of surplus water in excess of that leased.

6. By lease dated December 31, 1902, the surplus water demised was increased to 700 c.f.s. and by supplemental lease dated March 31, 1906, was further increased by 300 c.f.s., making a total of 1,000 c.f.s.

7. Existing lease dated May 28, 1928, cancels and supersedes lease of December 31, 1902, and supplemental lease of March 31, 1906, and demises the right and privilege to 1,000 c.f.s., which under head of 264 feet will generate about 22,000 horse power of electrical energy.

8. The lease of May 28, 1928, is for a term of 21 years from January 1, 1924, renewals for one further term of 21 years to December 31, 1965, with rent adjustable on renewal.

9. Under the lease of May 28, 1928, the rent for the 1,000 c.f.s. is $150,000 per annum from January 1, 1930, payable semi-annually in advance. This lease also contains a clause providing for payment of double the rental for the use of surplus water in excess of that leased.

10. $1,336,606.16.

CANADIAN NATIONAL RAILWAYS—RIVIERE DU LOUP STATION

Mr. POULIOT:

1. When did the hon. Minister of Railways leave for Fort Churchill last fall?

2. When did he return to Ottawa?

3. In the meantime did he communicate with anyone regarding the proposed building of a new station at Riviere du Loup?

Mr. MANION:

1. Wednesday, October 1, 1930.
2. Saturday, October 11, 1930.
3. No.

HOCHELAGA CENSUS APPOINTMENTS

Mr. ST-PERE:

1. Who was appointed census commissioner for the county of Hochelaga?
2. What is his salary?
3. Who recommended him to the department?
4. How many census enumerators will be appointed in the county of Hochelaga?
5. What salary will each one receive?

Mr. STEVENS:

1. Mr. Ulric Simard.

2. An allowance of $175 to cover organization expenses. For viseing of the returns made by the enumerators; checking them and forwarding to Ottawa; verification of enumerators' accounts and the general supervision of the census within the district over which he is appointed as commissioner the following rates are provided: 1 cent for each name on the "population" schedule; 3 cents for each "agricultural" schedule; 1 cent for each entry on the "animal and animal products, not on farm" schedule; 1 cent for each record of blind and deaf persons; 1 cent for each record of merchandising and service establishments.

3. Appointed by the Honourable the Minister of Trade and Commerce.

4. Information not yet available.

5. 5 cents for each person recorded on the population schedule; 5 cents for each absentee family card; 5 cents for each closed house card; 35 cents for farms of 5 acres and over; 25 cents for farms of 1 to less than 5 acres; 35 cents for vacant and abandoned farms; for animals, animal products, fruits, etc., not on farms, 10 cents per family; for merchandising and service establishments, 10 cents each; for blind and deaf persons, 5 cents per name; in lieu of horse hire and all other expenses at the rate of $5 per 100 names on the population schedule.

VAUDREUIL-SOULANGES POSTMASTERS

Mr. THAUVETTE:

1. To how many postmasters in the county of Vaudreuil-Soulanges were requests of dismissals addressed since August 7, 1930?
2. What are the names and addresses of postmasters to whom those requests of dimissal were addressed?
3. Were inquiries held in each case, and if so, by whom were they held, and what was the result?
4. What sum was paid to inquiry commissioners for their services and other fees in each case?
5. Who asked for those inquiries?
6. Was a notice sent to the postmasters informing them that said inquiry was going to be held, and what was the length of the notice?
7. At what places were postmasters dismissed in the county of Vaudreuil-Soulanges since August 7, 1930, and what are the names of said postmasters?

Mr. SAUVE:

1 and 2. No requests of dismissals were made, although charges of active political partisanship were received against Hector Giraldeau, postmaster, St. Lazare Station.

3. Yes, Bruno Nantel, Montreal. Postmaster found guilty of active political partisanship.

4. Commissioner's charges, $47.

5. Authorized by Postmaster General.

6. Notice of inquiry sent by commissioner. Department has no information as to length of notice.

7. Mr. Dolar Menard, postmaster, St. Justine station, dismissed for unsatisfactory management.

CANADIAN NATIONAL RAILWAYS—ESTIMATES

Mr. POULIOT:

1. Out of the estimates, totalling between $8,000,000 and $9,000,000, which were included in the Canadian National Railway estimates and which were voted by the House of Commons last year and which were transferred to other purposes: (a) how many transfers of more or less than $200,000 went to the government to be dealt with by order in council; (b) how many transfers were sanctioned by the deputy minister after consultation with the Minister of Railways of the day?
2. Were all of these transfers submitted to the railway board for approval?
3. If not all, how many such transfers were submitted to the railway board for approval?
4. In how many cases did the railway board approve such transfers?
5. How many times did the railway board rescind its previous orders in order to approve such transfers?

Mr. MANION: May I say in regard to a number of questions standing on the order paper in the name of the hon. member for Témiscouata (Mr. Pouliot) that I have inquired and find that it will take weeks of work to reply to them. The hon. gentleman has already had very many questions answered in regard to the proposed station at Riviere du Loup, and I would suggest as an act of mercy to the Canadian National Railways that some of these questions be eliminated.

Mr. POULIOT: I am ready to wait a few weeks.

Mr. MANION: I would suggest that the questions of the hon. member for Témis-

couata be made orders for returns, as they involve a lot of work on the part of the Canadian National Railways, and it will take a long time to gather the information asked for.

Mr. POULIOT: I have no objection at all so far as the questions relating to the Canadian National Railways are concerned. We had better go back and take up each question, and perhaps the minister would indicate which should be made orders for returns.

Mr. MANION: I will do it to-morrow.

Mr. SPEAKER: Questions Nos. 18, 38, 39, 40, 41, 43, 48, 49, 50, 51, 52, 53, 54, and 55 will stand as orders for returns.

Mr. POULIOT: What question did you begin with, Mr. Speaker?

Mr. SPEAKER: Question No. 18.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SS. MIKULA

Mr. POULIOT:

1. What persons of the county of Témiscouata were recommended, after August 1, 1930, for employment on the ss. Mikula?
2. Who were employed?
3. On whose recommendation were they so employed?
4. Where do they reside?

CANADIAN NATIONAL RAILWAYS

Mr. POULIOT:

1. What total amount was included last year in the Budget of the Canadian National Railways for the building of a new station at Riviere du Loup: (a) for capital expenditure; (b) other expenditure?
2. Is a similar or any item included this year in their Budget for the same purpose?
3. If so, for what amount?

Mr. POULIOT:

1. Were the Canadian National Railways informed that the Department of Railways and Canals had refused to sanction the construction of a new station at Riviere du Loup?
2. If so, on what date and by whom?
3. Upon whose instructions?
4. If by telegram, at what time of the day?

Mr. POULIOT:

1. On the estimates accompanying the plans for the construction of a new station at Riviere du Loup, did the Canadian National Railways show on what date the said building was to be completed?
2. If so, what was the date?

Mr. POULIOT:

1. On what date were the tenders already received at Moncton, on or about August 26, 1930, for the construction of a new station at Riviere du Loup, afterwards submitted to the Department of Railways and Canals by the Canadian National Railways?
2. Why were these tenders so submitted to the department?
3. What were: (a) the name and address of each tenderer; (b) the amount of each tender?
4. How long were these tenders under consideration?
5. On what date did the department make a decision in connection with said tenders?
6. Did some one ask the department to delay its decision?
7. If so, who, and on what date was this request made to the department?

Mr. POULIOT:

1. At the meetings held in the office of the Minister of Railways and Canals and later in the office of the Minister of Labour, both meetings having been referred to by the Honourable Minister of Railways and Canals on May 22, 1931 (Hansard, page 2062, first column, lines 31-33), were memoranda of agreements published as Appendix "C" of the report of the Dominion Director of Unemployment Relief, dated March 16, 1931, submitted to both above mentioned ministers?
2. If not, at what date was it submitted to each of them?
3. When did the meetings mentioned in the first paragraph take place?

Mr. POULIOT:

At whose request each of the items amounting to between $8,000,000 and $9,000,000 in the Canadian National Railways budget, 1930-31, was "postponed", as referred to by the Honourable Minister of Railways on May 22, 1931 (Hansard, page 2064, second column, lines 37-38.

Mr. POULIOT:

1. To what particular items was the switching of between $8,000,000 and $9,000,000 in the Canadian National Railways estimates for 1930-31 applied?
2. What was the amount of each item, (a) before such switch was made; (b) after such switch was made?
3. Were all those items included in the Canadian National Railways budget for 1930-31?

Mr. POULIOT:

1. Out of the estimates, totalling between $8,000,000 and $9,000,000, which were included in the Canadian National Railway estimates and which were voted by the House of Commons last year and which were transferred to other purposes, (a) how many transfers of more or less than $200,000 went to the Government to be dealt with by order in council; (b) how many transfers were sanctioned by the Deputy Minister after consultation with the Minister of Railways of the day?
2. Were all of these transfers submitted to the Railway Board for approval?
3. If not all, how many such transfers were submitted to the Railway Board for approval?
4. In how many cases did the Railway Board approve such transfers?
5. How many times did the Railway Board rescind its previous orders in order to approve such transfers?

Mr. POULIOT:

1. What was the amount of each section (a), (b), (c), (d), (e), (f) of the Canadian National Railways estimates, 1930-31, totalling $51,600,000 in vote 323 of last year?
2. At what date was the total amount of each section entirely spent?

Mr. POULIOT:

1. Were provisions made in the estimates of the Canadian National Railways, 1930-31, for the construction of new stations?
2. If so, how many stations?
3. Where were they to be constructed?
4. What was the total estimate, including capital account expenses or otherwise, prepared by the Canadian National Railways in their estimate, for each station?
5. Have the Canadian National Railways called for tenders for all the said stations?
6. If not, for what stations were tenders called?
7. How many stations did the Department of Railways and Canals approve the construction of in 1930-1931?
8. What was the amount of the tender that was accepted in each case?
9. Did the Department of Railways and Canals refuse to sanction the construction of stations by the Canadian National Railways in 1930-31?
10. If so, what stations?
11. What was the reason of refusal in each case?

Mr. POULIOT:

1. What was the amount of each section (a), (b), (c), (d), (e), (f) of the Canadian National Railways supplementary estimates, 1930-31, totalling $11,410,400.85 in vote No. 65 of March, 1931?
2. When was the total amount of each section approved by the government?
3. At what date the total amount of each section was entirely spent?

Mr. POULIOT:

Was section (d) of vote No. 65 of the Canadian National Railways supplementary estimates, 1930-31, a continuation of section (d) of Vote 323 of last year?

BOARD OF RAILWAY COMMISSIONERS

Mr. POULIOT:

1. How many times did this government make requests to the Board of Railway Commissioners, (a) that were ignored by that board; (b) that were granted by the board?
2. In what instances?
3. At what dates?

INTERNATIONAL CONFERENCES OF LABOUR

Mr. ST-PERE:

Who have been the representatives of Canada either as delegates or advisers at the various international conferences of labour since the establishment of the International Bureau of Labour, at Geneva?

HALIFAX HARBOUR COMMISSION

Mr. RALSTON:

1. What are the names of all employees on the payroll of the Halifax harbour commission during the months of December, 1929, and January, 1930, and what was the salary paid each one either on a weekly or a monthly or a yearly basis?
2. What are the names of all employees on the payroll of the Halifax harbour commission during the months of December, 1930, and January, 1931, and what was the salary paid each one either on a weekly or a monthly or a yearly basis?
3. What was the amount of revenue earned on goods using the Halifax harbour commission property during December, 1929, and January, 1930?
4. What was the amount of revenue earned on goods using the Halifax harbour commission property during December, 1930, and January, 1931?

Mr. BENNETT: This question will have to stand as an order for return. In any event it will be observed that it is not within our jurisdiction and the only way in which we can deal with it is to transmit the communication to the commission and receive their reply.

CITY OF OTTAWA AGREEMENT

Hon. H. A. STEWART (Minister of Public Works) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to authorize the Minister of Public Works, on behalf of His Majesty, to enter into an agreement with the corporation of the city of Ottawa to extend the period of the existing agreement with the corporation for one year from 1st June, 1930.

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

Motion agreed to.

THE BUDGET

ANNUAL FINANCIAL STATEMENT TO BE PRESENTED ON MONDAY, JUNE 1

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Before the orders of the day are proceeded with, I should like to intimate to the house that for two reasons I shall not be able to proceed with the budget until Monday next. On Monday afternoon, with the consent of the house, I propose to proceed with it. Perhaps, strictly speaking, consent is not required, for the motion is that the house resolve itself into committee of ways and means, and not into committee of supply. I

propose to present the budget on Monday afternoon, and I shall leave to my right hon. friend (Mr. Mackenzie King) the determination as to when the debate shall be resumed, whether on the succeeding Thursday or on Tuesday; or whatever other day he may select will be satisfactory under the circumstances. I had previously told this house that I thought we should be able to present the budget before the last day of May. The last day of May falls on Sunday, and I shall not be able to present the budget in May for two reasons, one of which I have already mentioned to the house. There has also been delay in receiving a cable affecting certain matters concerning one of the overseas dominions. The other reason is the physical work of completing certain of the matters that have to be dealt with. I trust, therefore, that the house will not regard the presentation of the budget on Monday as being in any sense a breach of my undertaking to endeavour to present it before the last day of May. That day falling on Sunday, I shall present the budget on Monday.

SECOND NARROWS—RIPPLE ROCK

On the orders of the day:

Mr. WILFRED HANBURY (Vancouver-Burrard): I would ask the Minister of Marine (Mr. Duranleau) when the report on the removal of Ripple rock and the report on the second narrows of Burrard inlet at Vancouver will be tabled.

Hon. ALFRED DURANLEAU (Minister of Marine): The report on Ripple rock was tabled a few days ago. I laid five copies of the report on the table, and I think my hon. friend may have one of those for his own use. As to the other report, I think probably it will be tabled on Monday.

ALBERTA COAL

FREIGHT RATE TO ONTARIO—REPORTED EXTENSION TO COVER ENTIRE YEAR

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Is the Minister of Mines yet in a position to give a reply to my question of yesterday regarding the special rate of $6.75?

Hon. W. A. GORDON (Minister of Immigration): The special rate of $6.75 to which the hon. member refers has already been extended until next year. I do not think I can add anything to that.

[Mr. Bennett.]

Mr. GARLAND (Bow River): Was it extended by amendment to the order in council to cover the entire twelve months' period, or was it done by action of the Board of Railway Commissioners?

Mr. GORDON: My recollection of the order in council is that it covers the entire twelve months' period. The order in council is published in the Gazette. If it is not available to the hon. member, I shall have a copy of it sent to him.

INDIAN HEAD AND SUTHERLAND FORESTRY STATIONS

On the orders of the day:

Hon. W. R. MOTHERWELL (Melville): May I ask the Minister of the Interior (Mr. Murphy) if the reported discontinuance of the forestry farms at Indian Head and Sutherland is correct? Also, whether a request for reconsideration of this matter has been received by the government and decided upon, and if so, what has been the decision?

Hon. T. G. MURPHY (Minister of the Interior): The question asked by the ex-Minister of Agriculture (Mr. Motherwell) deals with the farms at Indian Head and Sutherland which are supplying free nursery stock to the farmers of the west. The first of these stations was established at Indian Head twenty-five years ago, and later one was established at Sutherland. Both are in the province of Saskatchewan, and as I said, the purpose of these stations is to supply free nursery stock to the farmers of Alberta, Saskatchewan and Manitoba. Since their inception they have been administered by the forestry branch of the Department of the Interior.

Mr. BROWN: Should not the minister explain that free nursery stock does not mean free fruit trees? He does not mean that.

Mr. MURPHY: Oh no. If my hon. friend will give me a moment I will come to that. The provinces of Saskatchewan and Alberta assumed administration of their natural resources on October 1, 1930, and as no provision had been made in the transfer agreement covering the matter, the Department of the Interior, through the forestry branch, has continued to administer those stations. The stations were supplying a service only to the three western provinces, and it might well be argued that if that service did not apply to the other provinces of Canada the stations became a matter of provincial re-

sponsibility when the three western provinces assumed control of their natural resources. But as no provision had been made for the continuance of that work by the provinces, arrangements have been made whereby the Department of Agriculture, of the Dominion government will continue to administer these forestry stations at Indian Head and Sutherland until the end of the present fiscal year.

RAILWAY COMMISSION VACANCY

On the orders of the day:

Mr. A. E. MUNN (Vancouver North): I would ask the Minister of Railways and Canals if it is the intention of the government to give representation to British Columbia in the reorganization of the Board of Railway Commissioners.

Hon. R. J. MANION (Minister of Railways and Canals): That question will be given consideration when the appointments are being made.

TOBACCO IMPORTS

REQUEST FOR COMPLETION OF ANSWER TO QUESTION

On the orders of the day.

Mr. E. J. GOTT (South Essex): With permission of the hon. member for Témiscouata (Mr. Pouliot) I would like to have some information from the Minister of National Revenue (Mr. Ryckman) concerning part of a question standing on the order paper in my name. I refer to page 1234 of Hansard wherein it is stated, in reply to a question, that the answers will be furnished by the Department of National Revenue. The information has not yet been tabled.

Hon. E. B. RYCKMAN (Minister of National Revenue): When further answers are available they will be furnished to the hon. member.

TERMINAL POSTAL STATION AT MONTREAL

On the orders of the day:

Hon. FERNAND RINFRET (St. James) (Translation): Mr. Speaker, will the Postmaster General inform us whether the government has arrived at some conclusion in regard to the construction of a terminal postal station at Montreal, and the location of that station?

Hon. ARTHUR SAUVE (Laval-Two Mountains) (Translation): Mr. Speaker, the Post Office Department is at present considering this question.

SUPPLY

DEPARTMENT OF AGRICULTURE

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

The CHAIRMAN: The committee will resume consideration of the following item:

Dairying, including grant of $5,000 to National Dairy Council, $295,000.

And the amendment thereto of Mr. Young.

Mr. TOTZKE: Mr. Chairman, before we continue discussion of the various items in this department, I wish to refer to a matter, which was brought up the other evening, of vital importance to the department and to the officials of the department. The matter to which I refer, which deeply concerns the people of Canada as a whole and particularly of western Canada, has reference to a statement which was read into Hansard by the hon. member for South Battleford (Mr. Vallance). He read from a report which appeared in a newspaper of western Canada. To recall the article to the minds of hon. members I shall read it again.

> There has never been a department in Ottawa so incompetent, in such a state of inefficiency and disorganization as agriculture when W. R. Motherwell left it. The department was and still is inefficiently manned, permeated with intrigue, jealousies and incompetence. Mr. Motherwell gave no thought to agriculture.

Later on in the article are these words:

> It was under these conditions that Mr. Weir took office. He had scarcely a competent official, and many were disloyal to him. He did not tell the whole story last night, but on his estimates parliament will receive further information on the decrepit department left by Mr. Motherwell.

Mr. Chairman, it seems to me that article constitutes a reflection on the officials of the Department of Agriculture which should not be allowed to pass without comment. The other night the minister made no comment on the statement. So far as the ex-Minister of Agriculture is concerned we will leave his administration to the judgment of the people of the country, and especially to those of western Canada.

An hon. MEMBER: You did.

Mr. TOTZKE: They have always been of the opinion that the Hon. Mr. Motherwell was one of the best Ministers of Agriculture this country ever had. The farmers of western Canada—

Mr. HANSON (York-Sunbury): What did they say on July 28?

Mr. TOTZKE: I can wait as long as my hon. friend. The farmers of western Canada realize that Mr. Motherwell, the ex-minister of Agriculture, did more for agriculture in western Canada and in Canada as a whole than any other person in this country. I am concerned with the statement that the Department of Agriculture is incompetent, and that the officials are inefficient. If that is the case I say we should not vote a single item in these estimates for the department until the condition is corrected. I ask the minister to-day if he is in agreement with the statement that the officials in the department are incompetent and inefficient. If so the people of Canada should know; if the statement is not true they should know that the officials are competent and efficient. I think a statement should be made in fairness not only to the people of Canada but to the officials of the department who are resting under this sort of suspicion.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Chairman, the other night when the article referred to was read into Hansard I did not make a statement because I did not think it was worth while. I do not know who the editor of the paper is or who prompted the article. When speaking on the public platform and in the house, since taking the portfolio of Agriculture, I have on every occasion spoken in the kindest terms of my predecessor and will always think of him in the kindest possible way. So far as the officials of the department are concerned I do not think the article requires an answer. I believe my action since taking over the department supplies the best answer possible. Although we have in the neighbourhood of 2,500 officials on the staff I doubt if ever on the occasion of a change in the head of a department, fewer dismissals have taken place than since I became Minister of Agriculture. With the exception of two or three I know of no dismissals in the department.

Mr. TOTZKE: The minister has said he has made practically no dismissals. The article to which I have referred has been appearing in newspapers throughout western Canada.

Mr. SHORT: The minister is not responsible for that.

Mr. TOTZKE: I think this is a matter which should be properly cleared up. If there are any incompetent or inefficient officials I would say they should be dismissed. They should not be allowed to carry on the important work of a department of government.

An hon. MEMBER: The hon. member need not worry about that; he is in the opposition.

Mr. TOTZKE: Of course I am in the opposition, and I would say the same thing if I were on the government side of the house.

Mr. SHORT: The hon. member would not have opened his mouth.

Mr. TOTZKE: Hon. gentlemen opposite seem to think that because we happen to be on the opposition side we are not concerned with the government of the country. It is the duty of the opposition carefully to watch the expenditures made and the work done on behalf of the Canadian people. This is a very serious matter. I believe some of the articles which appeared in western newspapers were signed by a reporter who is high in the confidence of the Conservative party. Not only the Department of Agriculture but the whole government is under suspicion if the matter is not properly dealt with. I think the Minister of Agriculture should concern himself a little more about this item than he has done. He has simply been telling us that there were no dismissals. Sometimes incompetent and inefficient officials are allowed to stay in the department, perhaps not discovered, and I think the minister should give a little better explanation of this item.

Mr. MULLINS: Mr. Chairman, I have listened with some interest to the hon. member for Humboldt (Mr. Totzke), but I think he had better start to criticize the hon. member for South Huron (Mr. McMillan), who has been parading around the country running down the Minister of Agriculture before that hon. gentleman has hardly taken his seat. I have before me a newspaper clipping of a statement made by the hon. member, which, I think, is very far-fetched and not at all fair to the Minister. This is the clipping:

> Mr. McMillan criticized the agricultural policy of the Conservative federal government as inadequate and unavailing. The government, he said, had gone "protectionist crazy."

Some hon. MEMBERS: Hear, hear.

Mr. MULLINS: Well, I can only say that when you gentlemen opposite picked up the Dunning budget I don't know how crazy you were, but I think you were crazier than we were. Let me complete the quotation:

> He cited facts to show that dairymen and also fruit and vegetable growers in Canada had suffered through the tariff policy of the Conservatives.

The hon. member should know better than that. I always thought he was pretty fair to the cattle industry and to farming in general, but he certainly is not fair in the statements I have quoted, which appeared in the Ottawa Citizen of May 18, 1931.

Now, I wonder if some hon. members on the other side can intelligently discuss this important item before the committee? Do you know it is said throughout the constituency that I have the honour to represent that no commercial traveller will get off at railway stations in ridings represented by some members opposite who just talk wheat, and wheat alone.

Some hon. MEMBERS: Oh, oh.

Mr. MULLINS: No, they will not get off at those stations to sell goods unless they see cream cans on the platform. I am proud to tell the committee that at every station platform throughout the constituency of Marquette they do get off and are prepared to sell goods; you can see cream cans on every station platform in my constituency. True, I admit prices have gone down. But why? Would any body of men make such a fool treaty as you made with Australia? Would you do it again if you had the chance and provide us the material that we had to go to the country with at the last election? No, I do not think you would; I think you would know a little more about the cow; and you had better get acquainted with her, you had better get to know more about her. She was the first pioneer that came to Canada. She came here with Champlain, and she has stayed with us right along. You are upholding the late Minister of Agriculture (Mr. Motherwell). I have nothing to say against him personally. His constituency and mine adjoin each other, and I have known him a great many years. But although I am not going to say anything about him personally, I will say this of his policy: I venture to assert that the present Minister of Agriculture will never involve the country in an expense of about $9,500,000 sending professors chasing through the country to find out whether moths' eggs are fertile or unfertile; nor will he have them chasing around the country, as I have seen them in western Canada, to find out whether rye or barley has whiskers. Certainly the present minister will not do that and ignore the cattle business. Was there anything so ridiculous as that iniquitous transaction of the Petersen commission that the former minister was responsible for? And what was the result of it? It cost the country $35,000. What did it get for us? It got us nothing. Any time our friends opposite touch the cattle business they seem to make a mess of it. They have never had a constructive policy in regard to live stock. What did the hon. member opposite do while he was Minister of Agriculture? He discontinued the policy of distributing pure-bred sires throughout the country. That was the worst course he could have taken at the very time that the Irish government had their representatives here looking over the country to see what we were doing. They at once realized our mistake and on their return to Ireland they adopted our former policy and captured the British market. Look at the position we are in today owing to the lack of attention of our friends opposite to the dairy industry. This item before the committee is a very important one and concerns the dairy industry. Oh, yes, the cow is our friend. As I stated during our campaign, some of you gentlemen opposite don't know where milk comes from; you think it comes from a bottle.

Some hon. MEMBERS: Oh, oh.

Mr. MULLINS: Yes. I wonder if you know what a cow is? I have a clipping here and I will read it for the benefit of some hon. members opposite:

The cow is a female—

Some hon. MEMBERS: Oh, oh.

Mr. MULLINS: I have been asked foolish questions by some of those professional men on the opposite side, and therefore I want to read this article for their benefit. I asked one hon. gentleman opposite a certain question in reference to a cow, and he looked at me with amazement and could not answer—he could not tell me which end of her got up first. So I am going to tell you what a cow is. This is an excellent article written by a student in a Minnesota college. I thought it was only right that some members here should know something about the cow so they would not ask such foolish questions about her. Let me proceed.

The cow is a female quadruped with an alto voice and a countenance in which there is no guile. She collaborates with the pump in the production of a liquid called milk, provides the filler for hash, sausages and similar objects, and at last is skinned by those she has benefited, as mortals commonly are.

The young cow is called a calf, and is used in the manufacture of chicken salad, breaded veal and other uses of which no further knowledge is necessary.

The cow's tail—

I want you to know where it is mounted.

The cow's tail is mounted aft and has a universal joint. It is used to disturb maraud-

ing flies and the tassel on the end has unique educational value. Persons who come in contact with the tassel have vocabularies of peculiar and impressive force.

The cow has two stomachs.

One of my hon. friends opposite did not know that she had two stomachs.

The one on the ground floor is used as a warehouse and has no other function. When this one is filled, the cow retires to a quiet spot where her bad manners will occasion no comment. The raw material thus conveyed for the second time to the interior of her face is pulverized and delivered to the auxiliary stomach, where it is converted into cow.

The cow has no upper plate.

Now, get that. I was asked by an hon. gentleman: "How many teeth has she in her upper jaw?" I said to him, "Don't you know? Have you ever looked a cow over on the farm?" He said, "No; I looked over the fence at a cow and that is as near as I ever got to seeing her teeth."

The cow has no upper plate. All of her teeth are parked in the lower part of her face. This arrangement was perfected by an efficiency expert to keep her from gumming things up. As a result she bites up and gums down.

If we paid more attention to the cow, the mother of prosperity, Canada would be in a unique position to-day. I may tell you I have spent fifty years of my life among the cattle of western Canada, and I make no apology when I use these words on the floor of the house. I may tell you, sir, for your information that the cow played an important part in the last election; she went a long way to defeat hon. members opposite. Discontinuing the policy of putting out pure-bred sires was suicide to the cattle industry of western Canada. I wonder why hon. gentlemen opposite did a thing like that? When I was putting that to an audience in Angusville, Manitoba, one good cow within hearing bellowed out and seemed to say, "You are absolutely correct."

The question before the committee is one of vital importance to our western country. We want to get back into the dairy industry, and we want to get back to raising good dual purpose calves. We want the right type of calves, and we want no obstruction to items such as the one before the house at the present time. Why do hon. members obstruct an item of this kind? Whenever it has been a question of live stock hon. gentlemen opposite have been obstructionists; they have put the industry in the position in which it is in to-day. We had no business to lose that trade with England. We have Ireland shipping a million cattle a year, while Canada shipped none during 1926, 1927 and 1928. We lost that trade entirely when we should have been building it up.

Mr. VALLANCE: Will the hon. member tell us exactly why we were not able to ship cattle during that period, and why Ireland did ship cattle?

Mr. HANSON (York-Sunbury): Ask me another.

Mr. VALLANCE: I will ask you a question in a moment. Will the hon. member for Marquette, who knows a great deal about the cattle industry, tell us why Canada did not ship cattle while Ireland was shipping cattle? At the same time he might answer this question: Can he tell me any great agricultural country that ever followed the policy hon. gentlemen opposite are attempting to put across now?

Mr. MULLINS: I cannot hear my hon. friend very plainly, so I cannot answer.

Mr. SPOTTON: It was not intelligent anyway.

Mr. MULLINS: If the section of the country represented by my hon. friend had taken up the production of breeding live stock it would not be in the position it is to-day. When hon. gentlemen opposite took office we were shipping 220,000,000 pounds of bacon annually to England, while now we are shipping only 20,000,000 pounds and a few straggling cattle. We should be shipping cattle daily by the thousands from Montreal. They would be bringing back real money, and I trust that hon. members will look fairly at these items being brought forward by the minister, and will not throw any barriers in the way of their passing.

Mr. MOTHERWELL: We all like to have a little fun with the hon. member for Marquette, but that will scarcely answer the question asked by the hon. member for Humboldt. I want to assure the house I did not know the hon. member was going to raise that question to-day.

Mr. GOTT: He said you were single.

Mr. MOTHERWELL: My hon. friend might be so good as to keep quiet just now. I did not like to bring up the question when the hon. member for South Battleford (Mr. Vallance) raised it the other night; it looked so horrible and terrible that I hesitated to say anything about it. My hon. friend the minister has given a qualified denial. I

wonder if he could speak also on behalf of his chief secretary and say there are no reports coming from that source, because I continually hear, not only in Ottawa but in Regina and other places, every time the minister goes west, a bunch of rumours regarding the terrible condition in which he found the Department of Agriculture.

I know pretty well who wrote this particular article; I do not know whether or not he is in the gallery just now. Having regard to the fact that there is a wonderful similarity between that article and the article which the hon. member for Weyburn (Mr. Young) denied, in which he was included among those making cowardly attacks upon the minister, I assume this article is by the same author, and lest my silence be interpreted as assent with reference to departmental officials, I think it my duty to say a word with regard to the matter.

I am not going to say anything concerning the references to myself; I do not think I have to do that, but I believe I should defend the officials of the department, no matter who is the slanderer. I do not know where in this country you will find a better lot of men. I had the good fortune to have an excellent staff in Regina, a staff largely of my own selection. I accepted the staff which was here at the time I took office, and as far as I can recall only one new branch was established here in the nine years I had charge of the department. Some of the officials have been here for thirty years, under five or six ministers, and for that reason I feel greater freedom to speak on their behalf than perhaps would be the case if I had been given the opportunity of selecting them myself.

The administrative head of any department of government is the deputy minister. We have the deputy minister of agriculture here to-day, and I often wondered during the years I was at the head of that department what I would do to find a substitute if anything should happen to him. I want to say a substitute could not be found in Canada, in my estimation. I have had a good deal of experience in looking for deputy ministers of agriculture in my own province, and this is one of the most difficult positions to fill. You must have not only a theoretical man but a practical man as well; he must be acceptable to the public, and a good administrator. In the present deputy minister of agriculture we have a further, most invaluable qualification; that of being bilingual, which is something almost indispensable in this country. There is not one branch of agriculture I know of which he is not familiar, and I have never had a word of disagreement with him. There is a hint in this article of some disaffection and all sorts of intrigue; that is absolutely false. I do not care who said it, it is as false as anything possibly could be.

I could go over all the heads of branches and divisions and make almost the same comment regarding them. Let me take the next one who comes to my mind; I refer to Doctor Archibald. Where would you get a better director of experimental farms in all Canada? Two or three years ago the Russian government made a very attractive offer to him to go to that country and put agriculture on its feet, but notwithstanding the size of the offer he was so much taken up with his present work that he remained with us. Then there is George Clark, the seed commissioner. I can scarcely remember when there was a department of agriculture without George Clark, another exceedingly capable man. There was Mr. Arkell, who recently left the department. I have no reason to think he was asked to leave or anything of the kind; I knew he was thinking of going to some commercial co-operative organization where he felt he had a greater opportunity. He was another first class man.

So it is all along the line with these men. There is Doctor Ruddick, who is looked upon as the dean of the dairy industry in Canada. I can scarcely remember when Doctor Ruddick was not dairy commissioner. He had the opportunity of going to New Zealand to put the cheese and butter industry of that country on its feet; he was asked to organize and establish that industry. He has been here as long as I can remember. He is a thoroughly reliable officer, and if my good friend the minister well keep pretty close to these officers and consult with them, he will not go very far wrong. The recommendations, manifestos and policies which have been enunciated by him from time to time have been referred to already. I do not think they would have been issued had my hon. friend consulted with his officers. He has always intimated since he was appointed that he would be willing to receive recommendations from anyone, but apparently I have not been very fortunate in the ones I offered; they were not received very favourably, but we shall not discuss that any further.

I would like to get back to a discussion of the dairying question, but I do not want to shut off discussion on this item. Some of the matters taken up the other night have been left more or less in the air. In reading

over Hansard I notice that the hon. member for South Hastings (Mr. Tummon) suggested that the figures with regard to the production of milk had been cooked by the department. I did not catch at the time what he said, as he mumbled something and then hiked into the corridor.

Mr. TUMMON: I made the statement that the figures were changed in the year 1929 just previous to the elections and I am prepared to substantiate that statement.

Mr. MOTHERWELL: I prefer to take the official figures issued by Doctor Ruddick based upon the figures of the bureau of statistics.

Mr. TUMMON: I can give figures which are just as accurate as those given by the hon. gentleman.

Mr. MOTHERWELL: It may be all right to talk, but we cannot accept the talk of my hon. friend or any other hon. member in preference to the official figures which I recited the other evening. I do not know anything about my hon. friend's veracity, I assume it is all right but he will have some trouble proving what he has said. If it is within my power, I will give him an opportunity to do so.

Mr. TUMMON: Mr. Chairman, since the question of the production of milk in Canada was raised the other night, and is now before the committee, I think it is no more than right that I should state the position which I took. When the hon. gentleman was speaking the other evening he made reference to the milk production of Canada. He gave the following round figures:

Year	Pounds
1925	12,000,000,000
1926	13,000,000,000
1927	14,000,000,000
1928	14,000,000,000
1929	14,000,000,000

He mentioned that during the last two years there had been a slight reduction in the production. The government reports show the following production in round figures:

Year	Pounds
1924	12,000,000,000
1925	12,600,000,000
1926	13,407,000,000
1927	13,060,000,000

In other words, there was a reduction as between 1926 and 1927 amounting to 347,000,000 pounds. These figures are taken from the government reports.

Mr. MOTHERWELL: Which ones?

[Mr. Motherwell.]

Mr. TUMMON: The monthly bulletin as issued by the bureau of statistics.

Mr. MOTHERWELL: I would like my hon. friend to find them for us.

Mr. TUMMON: I can produce them if it is necessary. The reduction in the total production of milk, which is after all the basis of the whole dairying industry, from 1926 to 1927 amounted to 347,000,000 pounds. If that amount of milk, had been converted into butter at the regular ratio it would have amounted to over 14,000,000 pounds, and the strange thing is that we imported that year from the antipodes over 14,000,000 pounds of butter. I have not the figures before me for 1928, but in that year there was another decrease in the production of milk. What happened in 1929 just prior to the elections?

Mr. YOUNG: What elections?

Mr. TUMMON: In 1929, a year before the last federal election a new method of reckoning the production of milk was instituted. It was said that in the three prairie provinces of Manitoba, Alberta and Saskatchewan the cows were producing 21 per cent more milk than they had a few years ago, and an increase of 10 per cent had taken place in the rest of the Dominion. Thus the figures for the production of milk were adjusted on that basis and showed the production for 1928, as given by the hon. gentleman. Not only that, but they went back and adjusted the figures for the years 1927, 1926, and even 1925 when the Australian treaty and the New Zealand order in council were passed.

In 1928 and 1929 there were 100,000 less milch cows in the Dominion of Canada than there had been in the years 1925 and 1926. In figuring on the new basis, it was decided that the total production of milk was over 14,000,000,000 pounds. In 1926 there were 3,332,479 milch cows in Canada—I do not mean dairy cattle, but just milch cows—an increase from 1925 of 167,000. The year 1926 is conceded to be the best we have had in the dairying industry. Two years after the Australian treaty and the New Zealand order in council came into effect there was a decrease in the number of milch cows in Canada amounting to 75,215, and there was a further decrease in 1928. Under this new method of reckoning, it is said that the production of milk in Canada in 1928 was 14,512,897,961 pounds, but the only correct reports which the department has in regard to this production are the reports received annually from the cheese factories, the butter factories, the combined butter and cheese factories and

condensed milk factories. Each year a report is received from these factories giving the number of pounds of milk received by them and from how many cows received. According to these reports, we find that in 1928, the product of 2,197,237 cows was being used in these factories. In other words, the product of two-thirds of the producing cows in Canada was being sent to these factories, the total amount of milk received was less than seven billion pounds, leaving one-third of the total of milch cows in the Dominion to supply seven or eight billion pounds in order to make up the figures given by the hon. gentleman. In other words, the cows of which the department has no record—one-third of the total milch cows in Canada—had to produce two and one-half times as much as the cows of which they had a record. That is the position in regard to the matter.

Mr. MOTHERWELL: We would like to know my hon. friend's authority for all this.

Mr. TUMMON: My hon. friend will get the authority if he will go and figure it out, it is all taken from the reports.

The other day it was said that the Conservative party promised the farmers that if they came into power, the farmers would get fifty, sixty or seventy cents a pound for butter. I think I was as active in regard to this question as any hon. member on this side of the house, and I never made any such statement in any speech I made in the house or on any platform during the campaign or before it. What the Conservative party did say was that the dairy farmers of the Dominion of Canada were entitled to their own home market, and that if the Conservatives came into power endeavours would be made to give the dairy farmers their own home market.

Mr. BEAUBIEN: They do not have it to-day.

Mr. TUMMON: If they do not have it to-day, it is because of what they found on their door-step, left by the previous government.

Mr. MOTHERWELL: I do not wish to discourage my hon. friend, but I have under my hand an authentic statement from the dairy commissioner. Last night I stated that the reason I took his figures instead of those from the bureau of statistics was because the dairy commissioner's figures were more complete. My hon. friend goes on making assertions without any particular foundation regarding certain matters.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: My hon. friends are putting up a barrage under which to hide from the facts of the case.

Mr. HANSON (York-Sunbury): We are not worrying about my hon. friend for a minute.

Mr. MOTHERWELL: My hon. friends during the election campaign last year made statements which they cannot substantiate. These figures that have been given to me contradict them completely, and yet they have to blather a lot about things that have nothing to do with the case.

Mr. COTNAM: If my hon. friend did not like the New Zealand treaty, why did he not cancel it?

Mr. MOTHERWELL: We shall have an opportunity of discussing the New Zealand treaty when my hon. friends bring it down.

Mr. HANSON (York-Sunbury): Mr. Dunning gave notice of cancellation of it.

Mr. MOTHERWELL: I wonder who is doing the blocking now. This is the statement from the dairy commissioner:

> Agreeably to your telephone request this morning I beg to hand you herewith statement of estimated volume of milk produced in Canada in the years 1922 to 1929.

An hon. MEMBER: It is only an estimate.

Mr. MOTHERWELL: It is like any other statement of the sort; it is an estimate. The estimates which we have before us are estimates. It is as authentic as can be secured in view of all the circumstances.

Year	Pounds
1922	9,000,000,000

In order to make it fairer to my hon. friends the other night I put it at 10,000,000,000 pounds, to cover any possible mistake, but now I am going to take it as being 9,000,000,000 pounds.

Year	Pounds
1923	11,000,000,000
1924	12,000,000,000
1925	12,000,000,000
1926	13,000,000,000
1927	14,000,000,000
1928	14,000,000,000
1929	14,000,000,000

You will understand, of course, that there is a large element of estimation in these figures. We know definitely the quantity of milk which is used in manufactured products such as butter, cheese, condensed milk, milk powder, and the quantity which was exported to the United States but for actual quantity of milk and cream consumed or used in the manufacture of dairy butter, we have no actual data. These figures are based on the calculations made by the bureau of statistics.

With regard to dairy butter we get an estimate from the dairy branch.

Mr. TUMMON: There is no way of finding out.

Mr. MOTHERWELL: This is the best that can be gathered, either by the bureau of statistics or by the dairy branch.

Mr. TUMMON: These are reports that come in from cheese factories, butter factories and combined butter and cheese factories.

Mr. MOTHERWELL: I know it is hard for my hon. friends to listen to this. We know they told the people the very opposite and they stand convicted by the figures that I have given. These figures are based on calculations made by the bureau of statistics. I have the bureau of statistics figures in my office, but they are not quite complete. It would be strange if someone had not gone down to the bureau of statistics since the other night in order to find out what figures they have. The figures which I have given are more complete than those of the bureau of statistics.

An hon. MEMBER: Election figures.

Mr. MOTHERWELL: My hon. friends have not a leg to stand on. Neither the minister nor his deputy will take a different attitude from that which I am taking, because the minister knows the figures I am giving and he gets his from the same source. My hon. friend across the floor concocted something of a fictitious nature in order to try to get out of a difficult situation.

Mr. TUMMON: I object. I said that the figures I read to the house were figures which I could produce from monthly bulletins of the dominion bureau of statistics in regard to agricultural statistics. I am prepared to produce them.

Mr. MOTHERWELL: All this talk about figures! There has always been a certain discrepancy between the two lines of statistics. The reason is that the figures of the bureau of statistics are based upon the decennial census and those of the Department of Agriculture are based upon the quinquennial census; or it may be the other way about; I have forgotten which. But there was no such condition of affairs as described by my hon. friend, as fixing up any figures to suit the occasion. That is an absolute falsehood, I do not care who says it, and I want that to be understood without any reservation whatever.

Mr. CHAPLIN: Did the taking of the census of Saskatchewan increase the volume of milk that was increased per head of cows?

[Mr. Motherwell.]

Mr. MOTHERWELL: I am not going to be dragged into a discussion along that line; I am discussing other things just now. Let my hon. friends produce the figures from the bureau of statistics. I could not get from the bureau as complete a report as this. I may be able to produce the statement from the bureau later on.

I have another question in regard to the matter. The other night I asked the minister about the prices of butter at the present time and any other date when the price was as low as it is to-day. The minister might also inform me now if he has any better figures regarding the total production of milk during the years I have mentioned. Do my figures correspond or conflict with his?

Mr. WEIR (Melfort): To clear up a matter, the other night I misinterpreted a question asked by the hon. member for Melville regarding the estimates for 1930-31. The main estimates amounted to $8,751,795.24. The supplementary estimates for 1931, that is, those presented during the regular session of 1930, amounted to $320,548.20. The further supplementary estimates for 1930-31, presented at the present session, amounted to $443,000, making a total of $9,515,343.44.

Mr. MOTHERWELL: That is not at all what I asked for.

Mr. EULER: I cannot add anything to the question of the production of milk or butter, but I have some interest in the matter of the importation of butter into this country, and I would ask the minister for some information, if he can give it to me, in regard to importations of butter. We heard a great deal during the election and at the last session before the election about the importation of New Zealand butter, and a great deal of New Zealand butter did come into this country, but no butter came in from Australia. Now the tariff on Australian butter and New Zealand butter was exactly the same, but the reason why no butter came in from Australia was that under the Patterson scheme in Australia the exporters of butter in Australia received a subsidy of 6 cents a pound. They therefore, if Canada would allow the butter to be imported, could export that butter to Canada at a price 6 cents or less below the price they charged for home consumption, with the result that so long as the last administration was in office, so long as I was in the Department of National Revenue, we took such importations as the dumping of Australian butter into Canada, and we applied the dumping clause. The result was that no Australian butter whatsoever was imported into this

country. So, after all, the old government, which was not supposed to be protecting the interests of dairy farmers, did at least keep Australian butter out of this country.

From a return that was brought down a few days ago I find that the importation of New Zealand butter has come practically to a standstill, only some seven thousand pounds coming in from New Zealand during the month of April. But I find that nearly half a million pounds came in from Australia, something that never occurred during the last four years prior to the election. I should like to have an explanation of that. The minister explained the other night that an arrangement had been made with the Hon. Mr. Moloney of Australia, that no Australian butter would be released for sale in Canada at less than 32 cents a pound. I would ask the minister whether the price of 32 cents a pound at which Australian butter could be sold in Canada was in any instance a lower price than the price at which Australian butter was being sold in Australia. I would like to know how the price of Australian butter which was sold in Canada compared with the home consumption price, because if Australian butter was sold in Canada at less than the home consumption price in Australia, the dumping duty should have been applied, as we had applied it in the past. I am curious to know whether an order in council was passed by the government or some other note taken of the old 6 cents a pound subsidy which was granted in Australia until recently, and which perhaps is still granted. I can conceive of only one means by which the Australians could send their butter in here at a lower price than sold in the country of origin, in Australia itself, and that is if they sent the butter in on consignment. As members of the committee may know, goods may be sent into this country on consignment at any price at all. They may be practically dumped into this country. They may be sent into this country at a price less than in the country of origin. But if they are sent in on consignment no duty applies unless the governor in council passes an order in council taking note of the fact that this is being done, that the goods are being sent in here on consignment really for the purpose of evading the dumping duty. I would like to know whether the government took any steps whereby note was taken of the 6 cents a pound subsidy which was granted to exporters of butter in Australia, whereby that amount of 6 cents a pound was no longer taken into account in deciding whether or not the dumping duty should apply. My other question is—perhaps the Minister of National Revenue has this information—whether that 32 cents a pound, which was the fixed value below which no Australian butter could come into Canada, was ever less than the price at which butter was sold for home consumption in Australia; and if so, why the dump was not applied.

Mr. WEIR (Melfort): I think that is more a question for the Minister of National Revenue than it is for myself. Realizing that a change should be made in the Australian treaty, I do not think anyone would feel it advisable to institute against a sister dominion a dumping duty. I think we served the purpose just as well by taking the action we did.

Mr. EULER: I do not wish to criticize my hon. friend but we had the greatest amount of opposition to the importation of butter from new Zealand, which also is a sister dominion.

Mr. NEILL: I would like to add my voice to the protests against the large quantity of Australian butter allowed in. The question before the house is a reduction in the vote for the National Dairy Council. I feel disposed to vote against the proposed reduction because I have a personal friend on the council, and he tells me that they work well, do not play politics, and on several occasions they have appeared to work in the interests of the dairy industry. For example, they urged the late government to put a duty of 4 cents a pound on New Zealand butter, and they urged the present government not to put a duty of 8 cents a pound on that butter because they said it was too much. They foresaw what has happened, that the result would be that we would be selling butter on an export basis and that prices would be slaughtered. That is just what has happened and which I predicted.

Following up the remarks of the last speaker, I had made a note to ask the Minister of Agriculture concerning what he said when this matter was last up in the house on May 26. What he said then seemed so extraordinary that I thought I must have made a mistake, but on looking at Hansard I see that he made the same statement twice. At page 2005 of Hansard, dealing with the Australian treaty, he said that the government had made an arrangement with Australia whereby no Australian butter would be sold in Canada at less than 32 cents a pound. He went on to say:

> They lived up to that agreement in a very commendable way, until the price of butter in Montreal, and also in the west, in Vancouver, was cut by something very much in the nature

of a butter warfare between various organizations in the west. We thought butter had reached rock bottom, and it was not fair, after Australia had lived up to the agreement as she did, that we should not allow her to release her butter on this market.

On the next page he practically repeats that statement. He says:

I agreed that the Australians could release their butter at a price less than thirty-two cents a pound.

The situation was that Australian butter was coming in on account apparently, as my hon. friend from North Waterloo says, of the government having ignored the Patterson subsidy of 6 cents a pound and not imposing a dumping duty. That must be the reason why Australian butter was coming in in much greater volume than before, because the dumping duty was not being applied. The government felt that something should be done, and they made a gentleman's agreement with the minister from Australia that Australia was not to send in any more butter at a less price than 32 cents a pound. What was the purpose of that agreement? Was it not to ensure as far as possible that the Canadian dairymen should not have to compete with Australian butter at a less price than 32 cents a pound? That was the object of the agreement. The government claimed credit for it. After the election I held meetings in various parts of my riding and I was frank to give the present government credit for having taken that action, but I shall be more careful of my eulogiums of the action of the present government hereafter. The minister says prices were so low that they were at rock bottom. But what is rock bottom? A good many hon. members thought they had reached rock bottom on the stock market; however they found a new rock bottom, and later on another new one. The situation is however that conditions got worse and worse, the price of butter went down farther and farther, until in the opinion of the minister, which has since been found to be too optimistic, we had reached rock bottom. He selected that moment and apparently took that as his justification to allow a flood of Australia butter to come into this already depreciated market. When the price was at rock bottom, away below cost, such time was selected by the minister as the psychological moment to say to the Australians that they had played the game so far and he would now let their butter in at any price. Certainly they played the game, because they made the agreement on the understanding that we had power to put on the dumping duty. We supposed that when they made an agreement they would keep it. The condition reminds me of the case of the man who in receiving $10,000 stopped counting after he had reached $2,000 with the statement, "It is right so far; I guess the rest will be all right, too." When the price is already depreciated on the home market 7,000,000 pounds is allowed in.

An hon. MEMBER: No, half a million.

Mr. NEILL: Yes, half a million pounds came in recently. Half a million, however, is a large quantity of butter to come in in a few months.

Mr. EULER: No, in one month.

Mr. NEILL: In one month. We all know the situation which exists in Australia. They were in desperate circumstances and had to sell their produce at any price. Owing to the bonus under the Patterson scheme, they could meet any price in Canada. At the moment when our price is terribly low the minister allows the unloading of half a million pounds of butter which is only the first or second instalment of a large flood of butter from that country pouring into our already depreciated market. I am bringing the matter up to learn if there is any explanation. The explanation given to the hon. member for North Waterloo (Mr. Euler) does not suffice and will not satisfy the dairymen of this country. They want to know why Australian butter was allowed in when the market was, we will say, shot to pieces. The market will become a great deal worse by the importation of large quantities of the Australian product.

Mr. WEIR (Melfort): I think hon. members will find I am recorded in Hansard as stating the agreement was that except by mutual agreement, no Australian butter would be released in Canada at a price less than 32 cents per pound.

Mr. NEILL: Yes, mutual consent.

An hon. MEMBER: On what date was that agreement?

Mr. WEIR (Melfort): It was at the beginning of January or the end of December when the Hon. Parker Moloney was on his way back from England.

Mr. POULIOT: It was a Christmas gift to Australia.

Mr. WEIR (Melfort): It was butter we could not keep out. Such butter could come in on consignment, and the dumping duty could not be applied while it was coming in. Did I understand my hon. friend to say half a million pounds came in in April?

Mr. EULER: Yes, nearly half a million pounds.

Mr. WEIR (Melfort): The butter to which I have reference was here in January and February and it was left in storage from that time until we agreed with Australia to release it, when we felt as I said before that the price of butter had reached rock bottom. When we agreed to release it Australia promised that no more Australian butter would come into Canada at least until the winter or pending the ratification of the Australian treaty.

Mr. DUFF: What was the date of the release of the agreement?

Mr. McMILLAN (Huron): What date did the government agree to release the butter?

Mr. WEIR (Melfort): I cannot give the exact date; it was about three weeks ago.

Mr. McMILLAN (Huron): Why?

Mr. WEIR (Melfort): Why release it?

Mr. McMILLAN (Huron): Yes.

Mr. WEIR (Melfort): Because they had held it there. They agreed to bring no more in, and we thought it was only fair to them as they had kept their agreement.

Mr. NEILL: But their agreement was that they were not going to bring any in at less than 32 cents so there was no need to release it below that figure.

Mr. EULER: The minister knows I have no desire to embarrass him, but to say that the reason Australian butter was allowed to come into Canada was because Australia is a sister colony is to my mind rather inadequate. We had to bear the brunt—

Mr. LAPOINTE: She is a sister dominion.

Mr. EULER: Yes, a sister dominion. The late government for months and months had to bear the brunt of attack because New Zealand butter was coming into Canada. New Zealand, however was just as much a sister dominion as is Australia. That is one point I wish to bring to the attention of the minister. Another point to which I would like to have an answer from the Minister of Agriculture or the Minister of National Revenue (Mr. Ryckman) is whether the present government gave instructions with regard to the importation of Australian butter to the effect that the six cents bonus which was given in Australia on export butter was to be disregarded, so far as applying the dumping duty was concerned. Then, the minister said that the butter came in on consignment and that it is impossible to apply a dump where goods come in in that way. I made a similar statement a few minutes ago, but I added that where the government has reason to believe that it came on consignment in order to avoid the dump, an order in council can be passed which nullifies the effect of sending butter in by consignment. It is still subject to dump as though in the first place it had been sent in as a sale. I would ask the minister to answer whether the six cent bonus was disregarded in the matter of fixing the dump and whether the goods came in on consignment; and if so why an order in council was not passed to prevent the abuse of the consignment method.

Some hon. MEMBERS: Answer.

Mr. EULER: Did I make myself clear?

Mr. MacMILLAN (Saskatoon): Mr. Chairman—

Some hon. MEMBERS: Order.

Mr. MacMILLAN (Saskatoon): I have listened for a considerable time—

Some hon. MEMBERS: Order.

Mr. MacMILLAN (Saskatoon): I have had a good many—

Mr. POULIOT: Cannot hon. members be polite with the minister and give him a chance to answer.

Mr. MACKENZIE (Vancouver): I rise to a point of order. Two very fair questions have been asked of the Minister of Agriculture. While he is considering his reply another hon. member has attempted to speak on an entirely different matter. I submit that to comply with the rules in committee the minister should be allowed to reply to the questions asked him before an hon. member asks another question.

Mr. GUTHRIE: There is nothing whatever in the point of order raised by my hon. friend. The minister may or may not rise from his seat. Another hon. member has a perfect right to rise if he sees fit.

Mr. VALLANCE: On the point of order—

Mr. MacMILLAN (Saskatoon): My hon. friend—

Mr. VALLANCE: On the point of order, Mr. Chairman, I wish to say—

Mr. MacMILLAN (Saskatoon): I would like to say when the—

Mr. VALLANCE: I am speaking on the point of order.

Mr. POULIOT: The minister does not rise.

Mr. VALLANCE: Mr. Chairman, I wish to speak on the point of order. I can recall an occasion in 1928 when a similar condition arose, and I should like to read to the house the speech that was made by the then leader of the opposition when the estimates for the Department of Immigration were before the house.

Some hon. MEMBERS: Read it.

Mr. VALLANCE: I shall read it to prove to the Minister of Justice (Mr. Guthrie) that his point is not well taken, and that he does not agree with his leader. May I say that hon. members on this side of the house anticipated the action of the minister and to show that we were prepared I shall quote from page 3954 of Hansard of the session of 1928:

Mr. Bennett: No one in this house, whether minister or private member, can charge the hon. member for Kingston with sniping.

Undoubtedly the hon. member for Kingston (Mr. Ross) will remember the incident. The extract from Hansard continues:

Such a charge is absolutely devoid of truth. The member for Kingston charged the Minister of Immigration with dereliction of duty, and gave particulars. Then the Minister of Finance said the member was sniping. Does he think it is going to advance the business of this house to talk about sniping in connection with a charge that is frankly and openly made and that requires an answer, and to which an answer must be given by the head of the department, not by somebody else on his behalf. This capable minister, whose funeral oration was delivered last evening by the Prime Minister, cannot look to the Minister of Finance to make his own defence, and let him make his own replies with respect to questions that he is asked. He was asked a reasonable question on supply by a member of this house. Every member is entitled to a reasonable answer with respect to supply. That is the sniping that is charged against the member for Kingston. I say it is unworthy of the Minister of Finance to make such a charge in view of what took place. That is not going to carry estimates in this house.

That is what was said by the right hon. gentleman who is now Prime Minister. I am quoting from Hansard of 1928 at page 3954.

Mr. GUTHRIE: On the point of order, Mr. Chairman. What I said before I maintain still. I said nothing about whether the minister would or would not answer. I declared it was the right of any hon. member to address the committee when no one else had the floor. The point of order raised by the hon. member for Vancouver Centre (Mr. Mackenzie) was that my friend from Saskatoon (Mr. MacMillan), had no right to speak—

Some hon. MEMBERS: Oh no, no.

Mr. GUTHRIE: —and that the minister had some preemption or prior right to speak. No member has the right to speak when another member has the floor.

Mr. WEIR (Melfort): I wish to repeat what I said before, that this butter came from Australia on consignment. Negotiations with Australia with reference to a trade treaty were under discussion and a verbal agreement was made with the Hon. Parker Moloney that butter from Australia would not be released in Canada at less than 32 cents a pound except by mutual agreement. The Australian government lived up to that agreement, and, as I said before, we felt when butter had reached what we considered its rock bottom price, we would allow them to release the butter on hand, on condition that no more butter would be shipped in until the winter or pending the conclusion of the negotiations then in progress. That is as full information as I can give in answer to the question.

Mr. DUPUIS: What was the date of the verbal agreement?

Mr. WEIR (Melfort): The last part of December or the first part of January.

Mr. DUPUIS: Quite right. According to the records, since the release was given, during the month of April 500,000 pounds of butter came from Australia.

Some hon. MEMBERS: No.

Mr. DUPUIS: It is here in Hansard as information furnished by the Minister of Trade and Commerce (Mr. Stevens) in reply to a question.

Mr. WEIR (Melfort): I am quite certain there was no 500,000 pounds of butter released.

Mr. McMILLAN (Huron): The figures are there.

Mr. MacMILLAN (Saskatoon): Mr. Chairman, I desire to discuss this question. I have been in the merchandise business for a good many years and have sold hundreds of thousands of dollars worth of butter. I have brought shipments of New Zealand butter right into the centre of the prairies at Saskatoon.

Some hon. MEMBERS: Shame.

Mr. MacMILLAN (Saskatoon): I may tell my hon. friends opposite, and particularly those from Saskatchewan, that New Zealand butter imports did depress the price of butter very materially in this country; there is no question about that. But I was very much surprised the other day at the former Minister of Agriculture (Mr. Motherwell) advising the people of Quebec to establish creameries all over their province. When the hon. member was Minister of Agriculture in the Saskatchewan government he was very active in the establishment of what are known there as cooperative creameries. Later on they were used as a political football; when elections came on they established little creameries here and there all over the province for the purpose of gathering in votes for their party. What is the result to-day of that policy? The result is that twenty-two of those small creameries have not turned a wheel for some time, and the provincial government is faced with a heavy loss in connection with my hon. friend's activities in the creamery business, a loss that will amount to $2,500,000. So I warn my hon. friends from Quebec that it would be a good thing for them not to have the late Minister of Agriculture holding that portfolio when they start cooperative creameries in their province, because I am afraid that if he has anything to do with the venture they will find themselves in years to come faced with a heavy financial loss.

The late minister talks of the wonderful staff he had under him in the Department of Agriculture. Well, I know one member of his staff whose presence was required at the trial of a man in Saskatchewan charged with certain stock activities—selling shares in his babies, the cooperative creameries. I happen to have some of those shares myself and they are not worth the paper they are written on. The accused was convicted and sent to gaol. The then manager of the cooperative creameries, Mr. Wilson, who I presume was appointed by my hon. friend, was gotten out of the country, was sent to Italy, because they were afraid he would have to give evidence that would be detrimental to the provincial government of that day. The trial judge is reported in the Saskatoon Star of April 18, 1922, as follows:

> His—Wilson's—absence was deliberate.

What did they do with him? They sent him to Rome. A little later they brought him back to England and made him dairy commissioner and he held that position until this government came into office. That was one of his officials.

Now, the late Minister of Agriculture is talking of the production of milk, and what a great friend he has been to western agriculture. Let me quote a few figures from the report of the Saskatchewan royal commission on immigration and settlement. This report was made in 1930, so it is fairly up to date. When the hon. member became Minister of Agriculture in the Dominion government in 1921 there were in Saskatchewan 1,563,000 cattle; in 1922, 1,602,000; in 1923, 1,535,000; in 1924, 1,528,000;—I ask him to observe the decrease in the number of cattle in Saskatchewan each year that he was minister—in 1925, 1,499,000; in 1926, 1,160,000; in 1927, 1,300,000; in 1928, 1,181,000. The figures are not furnished for 1929, but I am sure they would disclose 500,000 fewer cattle in Saskatchewan that year than when the hon. gentleman became federal Minister of Agriculture in 1921. I think that is a fair illustration of what the hon. gentleman did for that branch of agriculture in Saskatchewan when he was minister.

Mr. MOTHERWELL: Mr. Chairman, when hon. gentlemen undertake to discuss a question that they know absolutely nothing about they are always sure to get into trouble. In the first place, the Saskatchewan cooperative creameries that my hon. friend from Saskatoon (Mr. MacMillan) refers to were organized in 1906, and were the first of the kind that I know of in Canada. For the next ten or eleven years they were administered by the provincial agricultural department; that is, a vote would be brought down in the estimates to purchase the cream that would be manufactured into butter by these various units called cooperative creameries; then when the butter would be sold by the dairy commissioner the treasury would be recouped. During these ten or eleven years the cooperative creameries never lost one dollar to the government or to anybody else. In 1918 they were operated by the farmers. My hon. friend said they were bandied about as a political football.

Mr. MacMILLAN (Saskatoon): Mr. Chairman—

Mr. MOTHERWELL: Just sit down a moment. Will the hon. gentleman sit down?

Mr. MacMILLAN (Saskatoon): I do not know to what ten years the hon. gentleman is referring.

Mr. MOTHERWELL: The last year of the war was 1918, and that fall there was a pretty large profit for the cooperative creameries. It was handed over at that time to a direc-

torate of farmers, and they were caught with a considerable amount of butter on hand, as a good many other people were caught with wheat and other products during the deflation which came shortly after that. That began their falling behind, but as long as I had charge of it there was no deficit and there was no single dollar due the government or anybody else. I have had to correct that statement on other occasions in this house; some farmers and other people who knew nothing about it have brought up that matter, with the idea that they had something against your humble servant.

My hon. friends like to refer to provincial records. If the minister wants to refer to provincial records, we are quite agreeable, but let us do it all the way around. What is sauce for the goose is sauce for the gander. I do not object to that at all; I am willing to do the same thing in connection either with the Department of Agriculture or with any other matter. I am sorry I did not hear all my hon. friend said about cooperative creameries, but I heard some of it. This creamery went on the rocks after the war, just as hundreds of other concerns did, but what could anyone expect? How could it have been prevented? They have been struggling along ever since; they joined with the Calder creameries afterwards. It was never a cooperative creamery after that; it was a straight joint stock company after I left it. It was not bought on a pool or cooperative basis; it was not handled as such and is not handled in that way now. So whatever my hon. friend said, if this reply does not cover it, I will ask him just to peep out a little louder and I will try to meet his misrepresentations.

Mr. VALLANCE: I was rather surprised at the explanation given by the minister as to his permitting the verbal agreement with Australia to lapse. He pointed out that butter had dropped to the lowest ebb, but I think he realizes now—as I believe he began to realize when he broke the agreement—that butter is on an export basis, and it did not matter very much. However, the point I want to make is this: We have a government here to-day which is protecting all industries in this country with the exception of agriculture. They apply the dump to everything, but here is the only instance of which I have knowledge where this government failed to protect an industry.

I should like to ask the minister what he received in lieu of the agreement which he cancelled in order to allow Australian butter to come freely into this country. There are two questions I have to ask. The first is whether any member of the government can recite one other instance in which they broke down the barriers which they themselves set up, in order to allow commodities other than agricultural commodities to come into this country. The second question to the minister is what Canada received in return for cancelling the agreement which he permitted to lapse.

Mr. WEIR (Melfort): Regarding the report in Hansard as to butter imported in April, I think there are two ways of interpreting the importation of butter. The butter was released from customs when the duty was paid, and entered as an import. I am as sure as I reasonably can be sure of anything that there was not a half million pounds of butter brought into Canada, except butter brought in on consignment and released from storage when the duty was paid.

Mr. DUPUIS: We find in Hansard, at page 984, a question asked by the hon. member for New Westminster and the answer by the Minister of Trade and Commerce as follows:

3. Has any butter from Australia come into Canada, at any time during the past five months?
4. If so, how much?
Mr. Stevens:
3 and 4. Canada's imports of butter from Australia during the past five months were:

Butter—	Pounds
November, 1930	117,600
December, 1930	308,000
January, 1931	432,768
February, 1931	330,568
March, 1931	862,904

Was that all on consignment? Then the minister will find, at page 1933 of Hansard, an answer given by the Minister of Trade and Commerce to a question asked by the hon. member for Beauharnois, as follows:

Canada's imports of butter in pounds, during April, 1931, from (a) New Zealand; (b) Australia; (c) other countries, were: (a) New Zealand, 7,100 pounds; (b) Australia, 489,944 pounds . . . .

That is nearly half a million pounds. If we total all those imports of butter for the last six months, they come to some three million pounds from Australia alone. How can the minister say all this butter has come to Canada on consignment, when we know that during the last campaign hon. gentlemen opposite blamed the Liberal party for having let so much butter come to Canada from New Zealand, providing unfair competition with the Canadian butter, which at that time was sell-

ing for about 39 cents a pound, and when at this time of the year, and for the past six months, the farmers of Canada have been practically giving away their butter? In spite of that, the government have allowed butter to come into this country from Australia by the millions of pounds. Butter is being almost given away. I noticed in the newspapers that in the eastern townships some manufacturer of soap found butter so cheap that he bought hundreds of thousands of pounds with which to make soap. I would like to ask the minister how he can justify his action and that of his government, having regard to these conditions.

Mr. WEIR (Melfort): I still feel there is some error in the report in Hansard. I will take care to tell the house, when we are next discussing these estimates, whether or not I am right in believing that imports are recorded as such only when they are released from consignment and the duty collected.

Regarding the point that we have not protected the butter interests or the agricultural products of Canada, brought up by the hon. member for South Battleford, perhaps the best answer is to see what our protection amounted to. We made a verbal agreement with Australia not to release butter at less than 32 cents per pound. In November the price of butter on the world market in London was 22.76 cents per pound, and the price for April of this year is 23.38 cents per pound. What would have resulted had we not put on protection? New Zealand would have sold butter in this country at the same price as it was being sold in London, which would have meant that butter would have sold at practically the same price starting in October and continuing through the whole winter, as it is now when we are on an export basis. Canada would have received that lower price for the 95,000,000 pounds of butter produced. The average farmer realizes just what his protection meant to him—he got more for that total production of 95,000,000 pounds. Our task was to keep out Australian butter. Would we have kept it out as well had the dumping clause been applied with butter at 22 cents a pound?

Mr. EULER: It would have been kept out entirely. Power was given at the last session to apply any valuation whatsoever.

Mr. WEIR (Melfort): While the previous government was in power and before we were able to keep out New Zealand butter, that country had dumped into this country a sufficient amount of butter to make a total of 40,000,000 pounds in storage when we came into office. That has had a very detrimental effect on the price of butter throughout this past winter. That butter had to be worked off as best it could be, and even in the spring of 1931 there still remained in storage some New Zealand butter and Canadian butter which had been manufactured in 1929. That was an additional handicap to the increased output of butter.

Mr. VENIOT: If, in order to help the farmer, it was found necessary to get rid of the 40,000,000 pounds of New Zealand butter in cold storage, why was more Australian butter allowed to come in?

Mr. CASGRAIN: There seems to be some doubt as to the exact amount of Australian butter which came into this country. On May 18, 1931, I asked a question, which appears on page 1684 of Hansard, as follows:

> How many pounds of butter were imported to Canada from Australia, through the harbour of Vancouver, from August 1, 1930, to date?

The following answer was given by the hon. Secretary of State (Mr. Cahan):

> Australian butter landed Vancouver, August 1, 1930, to May 16, 1931, 1,416,352 pounds.

That was not butter delivered on consignment or butter released afterwards, but it was butter landed in Vancouver from August 1, 1930, to May 16, 1931. How do those figures compare with the figures given to the hon. members for Megantic (Mr. Roberge) and Beauharnois (Mr. Raymond)? Is it true that this butter came in under the conditions just mentioned by the hon. minister?

Mr. WEIR (Melfort): The imports of butter for 1929-30 amounted to 41,919,372 pounds. Even assuming that the figures in Hansard are correct, and that we imported in the neighbourhood of three million pounds in five months as against forty-one million pounds in the twelve months of 1929-30, do hon. gentleman opposite allege that the farmers of Canada are not intelligent enough to know that three million pounds allowed in in five months is more protection than forty-one million pounds allowed in in a year?

Mr. DUPUIS: Even if we admit the fact that 42,000,000 pounds of butter came into Canada during the year before the present government came into office, as compared with 3,000,000 pounds since, how can the hon. minister explain the fact that during the administration of the Liberal party butter was selling at from 35 to 48 cents per pound whereas under this so-called protection it is selling now at only 21 cents—

Mr. CASGRAIN: Eighteen cents.

Mr. DUPUIS: —and sometimes 18 cents per pound? As the hon. minister has said, the people of Canada are intelligent, and we should have some intelligent statement from this house.

Mr. WEIR (Melfort): When butter was selling at the price mentioned by the hon. member, it was selling at a higher price in the United States and in London. When the estimates were prepared one year ago butter was selling in London at 27.08 cents per pound.

Mr. McMILLAN (Huron): What month was that?

Mr. WEIR (Melfort): March.

Mr. McMILLAN (Huron): What year?

Mr. WEIR (Melfort): 1930.

Mr. McMILLAN (Huron): That is strange, because a few days ago I obtained figures from the bureau of statistics which show prices of 35.1 and 35.6 cents per pound. While the hon. minister says that in November last butter was selling at 22 cents per pound in London, the figures supplied by the department show that it was selling at from 29.8 to 30.6 cents per pound, seven cents higher than the price given by the hon. minister.

Mr. RYCKMAN: I did not desire to be driven to my feet, but I can see that a number of hon. members do not understand thoroughly this butter question. However, I am pleased to enter the discussion because of the questions asked by the hon. member for North Waterloo (Mr. Euler): In answer to his question as to the sale of butter in Australia and in Canada, I would say that there is no information, but I do not believe that butter was sold during that period at a lower price in Canada than it was sold in Australia. The dumping clause could not be applied in the matter of Australian butter so as to exclude its importation.

An hon. MEMBER: Why?

Mr. RYCKMAN: For this reason: if you apply the dumping duty, it amounts, as hon. members know, to something in the neighbourhood of six cents, because there is a limitation in the treaty as to the application of the dumping duty in relation to Australia. The result, therefore, is that the difference in the rate of exchange would take up about one-half of the dumping duty. So the position was found to be this, and Australia was prepared to meet the position: they had shipped quite large quantities of butter to Canada; they were in a position to ship more, and let me tell the committee that they were in a position then, namely, the latter part of last year and the beginning of this year, to swamp the Canadian market with butter, while we could not stop them with every measure that we had available to apply.

Mr. EULER: The minister said that there was no means of stopping it. Could it not have been stopped under the legislation of the short session of last year under which the government took authority to place any valuation whatsoever for that purpose?

Mr. RYCKMAN: I have not thought to put that situation before the house, for this reason: as is well known, we are in conference with the Australian government to effect, between that country and this, a modus of trade which, I believe, will be of advantage to the people of Canada. That is in process, and as the Minister of Agriculture said, when the situation was before us that Australia, despite anything we could do—except under that special legislation, which it is not a pleasant thing to apply and which does not make friends when you do apply it—could swamp this country with butter, we said with respect to Australia: Do not let that butter come in. The generous treatment that we received and that was referred to by the Minister of Agriculture was this. Australia said: We appreciate that situation, and they did not flood us with butter. The situation is very much better than it could have been if Australia had asserted her rights and shipped into the Dominion of Canada all the butter she could against any dumping duty that we could apply.

Those negotiations are still in progress. It is not, however, violating any secret to say that we hope there will be a favourable conclusion, one in the interest of the people of Canada, the dairy interests, those who manufacture butter in this country and those who consume it. I may say that if we do not reach a favourable conclusion, it is the intention of the government to look after the butter industry in this country, as we feel we can do. If we could purchase, as we did purchase, immunity from immense shipments of butter from Australia to Canada, we felt in the negotiations it was only proper, since our friendly dominion had behaved so handsomely, they should be allowed to release that butter which was and had been in storage for a long period. With respect to the reference to April, 1931, I think it will be found, as stated by the Minister of Agriculture, that that is when the butter was ex-warehouse and not when it landed in Canada.

Mr. WEIR (Melfort): I should like to make certain of one point. Did the hon. member for South Huron state that he has information from the agricultural branch of the bureau of statistics that the price of butter in London, in November, 1930, was twenty-nine cents and a fraction per pound?

Mr. McMILLAN (Huron): It was 29·8 to 30·6 cents.

Mr. WEIR (Melfort): Information received from the dairy and cold storage branch of my department gives the price of butter in London in November, 1930, at 22·76 cents per pound.

Mr. McMILLAN (Huron): I received this two days ago from the bureau of statistics. I may say that I have received the statistics ever since the Australian treaty came into force on the 1st of October, 1925. On that date the prices of butter in London were as follows:

	Cents per pound
Australian	47·74
Canadian	46·87

There was a gradual readjustment until March, 1926, when Canadian butter, that is, No. 1 pasteurized butter, stood 10 cents per pound higher in Montreal than the price in London, England. For the whole year 1926, the average price of No. 1 pasteurized butter stood at an average of 2·46 cents per pound higher in Montreal than its value in London, England. For 1927, the next year, all the prices were given by the department at the hearing held before the tariff advisory board, and in 1927 the average price of butter in Montreal was 4·72½ cents per pound higher than its value in London, England. I mean by that, its value when you take into account the cost of shipment from Montreal to London. In 1928 it was an average of 4·17 cents per pound higher in Montreal than its value in London, England, and in 1929 it was an average of 4·79 cents per pound higher in Montreal than its value in London, England.

Coming to 1930, these are the figures I got the other day:

Month—	Montreal Cents per pound	London, England Cents per pound
January	41·0	38·0 to 38·3
February	39·0	37·5 to 37·9
March	37·3	35·1 to 35·6
April	34·9	30·3 to 30·5
May	31·1	28·6 to 29·1
June	30·1	29·6 to 29·8
July	30·5	31·9 to 32·1

That is the first time since 1925 that the price in London was higher than the price in Montreal.

Month—	Montreal Cents per pound	London, England Cents per pound
August	31·4	32·0 to 32·4
September	33·4	31·9 to 32·7
October	33·2	32·3 to 32·5
November	33·0	29·8 to 30·6
December	33·2	29·5 to 29·8

Those are the figures that I got this morning from the bureau of statistics.

Mr. WEIR (Melfort): Are those figures the top prices?

Mr. McMILLAN (Huron): I understand that these are the average prices during these months, and I compared them just this morning with figures that I got from the dairy and cold storage branch, Doctor Ruddick's branch. I have all the figures here, and there is a discrepancy between the two, but in every instance they show the Montreal prices higher than the London prices.

Mr. WEIR (Melfort): There must be something radically wrong, because the figures I have are also figures from the dairy and cold storage branch for the same years. They are the official figures.

Mr. McMILLAN (Huron): Here are the figures for the dairy and cold storage branch for every week right up until April of this year.

Mr. EULER: I do not want to talk about butter until the cows come home, as it were, but I should like to say this in reference to what was said by the Minister of National Revenue. He has advanced what seems to me the only tenable argument regarding the importation of Australian butter, when he says that the government hopes to make an advantageous treaty with Australia and are therefore allowing Australian butter to come into Canada in order to preserve an atmosphere of good will in which to negotiate the treaty.

Mr. RYCKMAN: If I may interrupt, that is not quite the right way to put it. The government admitted this particular lot.

Mr. EULER: I certainly did not intend to put words into the mouth of my hon. friend that he did not use. I thought that I was representing him quite accurately; I have no intention of doing anything else. I think I could approve to some extent of that motive for the action which the government has taken, but I think also that the same might have been held to apply on previous

occasions in connection with our business with New Zealand. We had a treaty with New Zealand which was particularly advantageous to the business men and manufacturers of Canada, who were able to sell large quantities of goods to New Zealand, but that business is now pretty well destroyed as a result of the government cutting off New Zealand butter exportations to Canada. After all, this point stands out, that it was possible, and still is possible, absolutely to stop the importations of butter from Australia into Canada, even if it be necessary to apply the new law that was passed at the short session last September under which the government took power to make such valuations as they please for the purposes of customs duties. I am not saying that that should be done, but it is possible to do it. The fact is that whereas under the old government practically no importations of Australian butter were permitted, there have been within the last six, seven or eight months importations of some three million pounds of Australian butter.

Mr. BROWN: During this debate the minister has on a number of occasions asked the question, what would have happened had the duty not been put on? The assumption is that the farmer would have received just that much less for his butter. The situation is not quite so simple as that. That is the trouble with our protectionist friends; they see only one phase of one problem at a time. I have frequently insisted in discussing this dairy question in the house that the dairy industry should be considered as a whole, and not from the standpoint of merely one branch of it. I think the former Minister of Agriculture made a very pertinent remark, which was concurred in by the hon. member for South Hastings, when he said that in considering the standing of the dairy industry we should think of the number of pounds of milk produced. When you are dealing with billions, a few millions here and there is not a matter of such great importance. Millions, of course, are important in themselves, but not so important when dealing with billions. So I am not going to quarrel with the figures submitted by the former Minister of Agriculture and those submitted by the hon. member for Hastings. My point is that we should consider the dairy industry as a whole, and I have tried to insist upon that during the last three or four years when we have been discussing this question.

In reply to the hon. Minister of Agriculture, I am going to present this point of view. Here are some figures that I got this morning from the bureau of statistics in regard to cheese. In the fiscal year ending March 31, 1930, we exported 92,000,000 odd pounds of cheese, and for the fiscal year ending March 31, 1931, we exported 79,000,000 pounds—a loss in our exports of cheese in one year of over 12,000,000 pounds. Let hon. members who consider that the importation of agricultural products is a tremendous injury to the country ponder these figures. For the fiscal year ending March 31, 1930, we imported 304,307 pounds of cheese, and for the fiscal year ending March 31, 1931, we imported 1,685,045 pounds. That is, we multiplied our imports of cheese by five within the last year under this government.

Mr. SENN: Where did that cheese come from?

Mr. BROWN: I am not discussing that question at all.

Mr. SENN: It came from New Zealand.

Mr. BROWN: I know that these figures are very embarrassing to some of my hon. friends opposite. Here is the point I want to emphasize, that we should consider the dairy industry as a whole. I was very much interested in the report of an address to a dairy convention in the county of Prince Edward during the early part of last winter, by a man named Elliott. I do not know who he was, but he presented what seemed to me an argument well worth considering. His contention was that the imposition of a duty against New Zealand butter, and shutting it out of this country, seriously interfered with our market for cheese, because the New Zealand men were turning their attention from the making of butter to the making of cheese and were shipping cheese in increasing quantities to the British market. That is surely a point of view worth considering. So our interest in dairying is not by any means confined to butter, and I think this point is well worth considering just now when, as I pointed out our exports in cheese have fallen during the last year by 12,000,000 pounds. Admitting the contention of Mr. Elliott at the dairy convention, that the shutting out of New Zealand butter has interfered with our export of cheese, we do know this, that cheese is at the lowest point it has reached in the last ten years. I got the figures this morning from 1920, when cheese was quoted in Toronto at 32½ cents and in Montreal at 33 cents, down to May, 1931, when cheese was quoted in Toronto at 12 cents. The figures for May for Montreal were not available, but

undoubtedly cheese is the lowest it has been in the last ten years. I suggest, as a possible explanation of the fact that we are now on an export basis for butter, that our creameries have switched from the making of cheese to the making of butter. To what extent that has been done I do not know, but I think it is well worth looking into. At least there ought to be some explanation of the fact that during the last year we reduced our exports of cheese by 12,000,000 pounds.

I want to emphasize again that matters of tariff are not as simple as some hon. members opposite seem to think. Trade barriers cannot be erected without producing a great many unforeseen and unexpected results.

Mr. STEWART (Edmonton): May I ask the Minister of National Revenue if there has been any change in the policy of the Australian government with respect to the bonusing of the export of butter, sometimes known as the Patterson scheme.

Mr. RYCKMAN: I understand it is in effect in Australia.

Mr. STEWART (Edmonton): There is no change?

Mr. RYCKMAN: By reason of the cheap price of butter in Australia, and the rate of exchange in their favour, they can manufacture butter and ship it here, and without new legislation we cannot keep it out.

Mr. STEWART (Edmonton): Was there any change in Australia in the bonusing system known as the Patterson scheme?

Mr. SPENCE: It is unfortunate that so much time should be lost in blocking an item such as this.

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: Mr. Chairman—

An hon. MEMBER: What about last year?

Mr. SPENCE: This year I have not taken up the time of the house, but it is difficult to sit here and listen to such arguments as are being made in committee to-day.

An hon. MEMBER: Look what we had to put up with.

Mr. SPENCE: Hon. members seem to think only of figures. They are figuring all the time.

Mr. VENIOT: Look at what we had to put up with last year.

Mr. SPENCE: Never mind that.

Mr. MACKENZIE (Vancouver): The shoe is on the other foot.

Mr. SPENCE: Hon. members opposite sit back and ask ridiculous questions in their attempt to block the item. May I say that their action reflects no credit on the House of Commons. We have seen ex-ministers in the front benches of the opposition attempting to demonstrate to the committee the wide extent of their knowledge. If they had shown as much ability when they were in power they might have still been there. The fact that they did not show such ability accounts for their being at present in opposition. The action of my hon. friends opposite has been nothing but a matter of blocking all the way through. They have done nothing but resort to blocking and obstruction throughout the whole session. Items have been held back, back, back, and hon. members who are asking the questions ought to know the answers as well as the hon. Minister of Agriculture.

Mr. DUPUIS: What did my hon. friend do last year when he was in opposition?

Mr. SPENCE: I am sorry my hon. friend (Mr. Young) introduced an amendment to reduce the item under discussion to practically nothing at all. Sometimes he uses common sense but in this case he did not. The hon. member for Humboldt (Mr. Totzke) has said—

An hon. MEMBER: Did the hon. member say "humbug"?

Mr. SPENCE: The hon. member for Humboldt has said that this item cannot get through and everything has to be blocked until further information is supplied. He knows very well about the information for which he has asked. He must have something in the back of his mind; I am sure he could answer his questions himself. He has utilized the time of the house to tell of the high qualifications of the late Minister of Agriculture. I am not going to say any unkind words about the ex-minister. Many times I helped him when he was on this side of the house, and when I saw he could not get the support of his own party.

Mr. MOTHERWELL: Yes, we got along very well.

Mr. SPENCE: I should be willing to do it again. But when he gets up in the committee and reads an article from some newspaper, probably an irresponsible newspaper; when he takes up an hour's time to tell the present Minister of Agriculture what he should do; when he eulogizes the different officials, beginning with the deputy minister and dealing with all officials of the department—

Mr. MOTHERWELL: Was there anything wrong in what I said?

Mr. SPENCE: It takes too much of the time of the committee. If they were so efficient they do not need any eulogies. The remarks of the ex-minister leave in my mind the thought that he is seeking to defend something. The matters to which he has referred should be left entirely to the hon. member who is now at the head of the Department of Agriculture. I know if I were head of the department I would have people behind me who were absolutely loyal despite the viewpoint of the ex-minister.

Mr. MOTHERWELL: Who is not loyal? Which official is not loyal to the minister?

Mr. SPENCE: I did not say any of them were not loyal.

Mr. MOTHERWELL: The hon. member left that implication.

Mr. SPENCE: One might think there was some reason for defending the actions of departmental officials, judging from the remarks of the ex-minister. I am not opposed to the dismissal of any official who may prove to be inefficient; all departments of government should be protected in that way. The ministers need loyalty behind them.

Mr. DUPUIS: May I ask the hon. member a question?

Some hon. MEMBERS: Sit down.

An hon. MEMBER: You have been talking all day.

Mr. SPENCE: I shall be pleased to answer if I can understand what my hon. friend says.

Mr. DUPUIS: Does the hon. member think the Minister of Agriculture is not able to defend himself?

Mr. SPENCE: I do not think the minister needs defending. Like other ministers, he may make mistakes.

Mr. DUPUIS: I have a sufficiently good opinion of the Minister of Agriculture to believe that he knows how to defend himself.

Mr. SPENCE: I am not defending the Minister of Agriculture. I am referring to the time wasted by hon. members opposite in blocking the business of the house.

An hon. MEMBER: You are wasting time.

Mr. SPENCE: Those of us who have to sit here and take it all and say nothing are tired of it.

An hon. MEMBER: Dispense.

[Mr. Spence.]

Mr. SPENCE: If this National Dairy Council is of any consequence at all, it should be sustained, and sustained with money sufficient to keep it in operation.

Mr. BEAUBIEN: Is it not a political organization?

Mr. SPENCE: If it is not worth while it should be abolished.

Mr. BEAUBIEN: Is it not a political organization?

Mr. SPENCE: No, we have no political organizations, so far as our—

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: Our policies are for Canada, not for ourselves. We have no political organizations to keep up particular departments, and never had. I repeat that if the National Dairy Council is worth while it should be sustained. I understand it is composed of men of repute, and Canada needs men of that type, men who can guide the Canadian dairy industry. Hon. members know the present condition of our export trade. I wonder if they can imagine a country the size of Canada practically excluded from export business in beef, bacon, cheese and butter. Those who have been governing this country for the last few years should be ashamed of themselves when they realize our business has been ruined to such an extent. But they have no hesitation in rising and asking, "Why have you not implemented your promises?"

An hon. MEMBER: Well, why haven't you?

Mr. SPENCE: My hon. friends were in power for nine years and did nothing; they had no policy. They governed Canada by committees and commissions; that is all they did. They shirked their responsibilities at all times. I feel that to refer to the matter any further would be wasting time. I conclude by stating that it is a shame the country has to put up with such irresponsible people as hon. members on the opposite side of the house.

Mr. POULIOT: And the government is very irresponsible.

Mr. SPENCE: Hon. members opposite have practically no respect for the rules of the house. Blocking is their theme and that is all they know. They have blocked everything this session; God knows they are wasting the money of the country.

Mr. VENIOT: I suggest that the word "blocked" is unparliamentary.

Mr. YOUNG: Would the hon. member answer a question?

Mr. SPENCE: Yes.

Mr. YOUNG: Why is it that to-day in western Canada two pounds of butter are required to buy one pound of axle grease?

Mr. SPENCE: Oh, my hon. friend has been spending most of his time in the west sitting around the school house studying economics. I would ask him to figure it out for himself; he has as much time as I have.

Mr. WEIR (Melfort): In connection with the imports of cheese to which the hon. member for Lisgar (Mr. Brown) referred, I may say that the figures from 1925 to 1930 show the following:

Year	Pounds exported
1925	4,544,485
1926	6,678,757
1927	1,340,000
1928	1,669,000
1929	1,936,196
1930	2,063,898

That is, it is up about 100,000 pounds, and we have no record to show whether it is at the beginning or the end of the year. I think it is only fair to say that the misunderstanding with respect to the respective figures for butter quoted by the hon. member for South Huron (Mr. McMillan) and myself is accounted for in this way: I was quoting figures from the dairy and cold storage branch, giving the average price of Australian butter sold in London; the hon. member for South Huron was quoting the price of Danish butter in the London market, where we know it sells at a premium.

Another point has been brought up that I feel I should deal with briefly; it has reference to the officials of the Department of Agriculture. I think my best defence of them was that I did not think it worth while the other night to get up and say anything. I do feel this, however, that the hon. member for Melville (Mr. Motherwell), who has spoken so highly of the officials—and I feel they will very much appreciate his kind words—omitted to mention the strongest point in their favour, that they are highly trained technical men. I think they would appreciate his praise very much more had he used his influence when he was minister to see that these officials—who take second place to none in this or any other country with respect to their technical qualifications and efficiency—were paid at the same rate as the officials of other departments of a similar classification. He failed to do so. I think it would have been more acceptable to them if efforts had been made by my hon. friend to see that their remuneration was commensurate with the work that they carry on, and especially that it should be on such a scale as to bear comparison with the salaries paid officials in other departments without the same training or the same experience.

Mr. MOTHERWELL: If my hon. friend does not know, his deputy will tell him that the Beatty commission awarded all the technical men a very substantial increase.

Mr. WEIR (Melfort): Just in the last two years that has been under consideration, I believe.

Mr. MOTHERWELL: Yes. Since my hon. friend is quite in agreement with me as to the quality of the officials, I hope he will start where I left off in trying to get them the increased salaries that they were entitled to long ago. When doing so will he recall the fact that, during all the years I was here, in conjunction with the Minister of Public Works, I never ceased fighting for a home for the Department of Agriculture, and now for the first time since confederation they have a home. All my hon. friend had to do was to walk in and occupy it. I congratulate him now that as head of the department he will be in a position to get a very much higher percentage of efficiency out of the staff than was possible when they were scattered all over the city in twenty buildings, as I found them when I became minister.

Will my hon. friend be good enough to say whether the member for South Hastings (Mr. Tummon) is correct? He has repudiated Doctor Ruddick's figures in regard to the 14 billion pounds, but he has given us only his own statement in justification for his repudiation.

Mr. TUMMON: Yes, he has.

Mr. MOTHERWELL: I want to ask the minister for the fourth time—twice last week and twice to-day—is he going to repudiate those figures as the member for Hastings has done, or is he going to confirm them? If he is going to repudiate them, what is he going to substitute for them? Will he please tell us so the committee will know something of what is being done? If I have to ask the question twenty-four times I am going to do so, because that is the whole crux of the thing, that is the only yardstick—total milk production—by which you can measure the decline or improvement in the dairy industry

in any country. Now, will not the minister be good enough to meet my wishes in this respect? If he has something wonderful that he is going to spring, why not spring it now and smash us all to pieces? I wish he would do that.

Mr. TUMMON: Mr. Chairman—

Mr. MOTHERWELL: The same kind of play,—anything but an answer.

Some hon. MEMBERS: Sit down.

Mr. MOTHERWELL: Mr. Chairman, why cannot I get an answer to my question?

Mr. WEIR (Melfort): I did not understand that the hon. member for Hastings was doubting the veracity of the information given by Dr. Ruddick. I understood the difference was due to the different methods by which the respective results were arrived at.

Mr. MOTHERWELL: In the aggregate what do they amount to? Is there any substantial difference?

Mr. TUMMON: The hon. ex-Minister of Agriculture seems to think that I did not substantiate my figures. I hold in my hand the monthly bulletin of agricultural statistics for the Dominion of Canada as issued by the Dominion Bureau of Statistics, and this is the source of my information. Let me say to the hon. gentleman, if he is not aware of it, that the dairy and cold storage branch depend on the bureau of statistics for figures of the total production of milk in Canada. I repeat, the figure based on the records of the total production of milk changed in 1929, and if he will go back over the reports he will find that to be the case. I am not blaming him or the department of which he was the head—not at all.

Now, the hon. member for Lisgar mentioned the production of cheese during the past few years. I may say to him that what has been happening recently happened to a much greater extent under the previous government. I will quote again from this very bulletin. The total number of pounds of cheese produced exclusively in Canada in 1926, for example, was in round figures 172,000,000 pounds; in 1927, 138,000,000—or a reduction of 34,000,000. The production of cheese in Canada has been decreasing practically every year since. It is not, as he said, that the cheese factories are turning to the making of butter—

Mr. BOTHWELL: Will the hon gentleman give the figures for 1928, 1929 and 1930?

[Mr. Motherwell.]

Mr. TUMMON: I could if I had the bureau reports, but I am satisfied that what I have said is correct, because I have been in touch with these figures and watching the cheese production each year, it being an important industry in my constituency. The reduction in the production of cheese is not because the cheese factories have turned to the making of butter; it is because the dairy farmers will turn from cheese to butter if they can obtain a better price for their milk.

Mr. BEAUBIEN: Is it not so that the farmers will turn from butter and cheese production to cereals when the price of cereals is higher, and that that accounts for the reduced production?

Mr. TUMMON: Perhaps in my hon. friend's district, but not in the district I come from.

Mr. BROWN: They will also switch to ice cream and other dairy products.

Mr. TUMMON: You would have a little difficulty in figuring that out. Then my hon. friend from Lisgar mentioned Mr. Elliott. I know Mr. Elliott very well; he is an exceedingly fine gentleman who has taken quite an interest in the cheese industry. But as one who has been connected with the dairy industry all his life, from the milking of cows to the making and marketing of cheese and butter, let me say that the best years we ever had in the cheese industry in Canada were the years when butter was on an export basis. I am speaking now only in regard to cheese. When butter is on an export basis in Canada, invariably the farmer will go to cheese because as a rule there is more money in it.

Mr. MULLINS: I cannot understand the interest shown now by hon. gentlemen opposite in the dairy industry. I hold in my hand a pamphlet entitled From Gloom and Depression to Unparalleled Prosperity; Canada's Progress Under Liberal Administration. There is not one mention in that pamphlet of the dairy industry, although every other industry in this country is referred to. Why do hon. gentlemen opposite show so much interest now?

Mr. BEAUBIEN: Is my hon. friend thinking of changing his politics?

Mr. MULLINS: I will answer my hon. friend in a moment. If, before July 28, hon. gentlemen opposite had devoted to the dairy industry as much energy as they are displaying this afternoon, they might have made a better impression.

Mr. BEAUBIEN: Perhaps in this book there was a leaf cut off, just like the Mafeking cut-off.

Mr. MULLINS: The Mafeking cut-off is not mentioned, either. Reference is made to everything else but the dairy industry, and on the bottom is the name of the right hon. leader of the opposition, then Prime Minister.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BROWN: Mr. Chairman, I desire to correct a statement which I made this afternoon in regard to the cheese importations. Sometimes in examining figures of this kind one looks at them a little hastily—I think the Minister of Justice will remember a similar experience. The figures given by me were not correct, while those given by the Minister of Agriculture a little later were.

I desire also to refer to a remark made by the hon. member for South Hastings to the effect that when we are on an export basis for butter it means switching to cheese. I would remind the hon. gentleman that there are a lot of fish up that stream. An attempt to increase artificially the price of butter so as to bring it to an export basis means that we are brought to a position where we are dependent upon the export market and we then have to compete with New Zealand.

Mr. THOMPSON (Lanark): Mr. Chairman, before recess we were discussing an item including a grant of $5,000 to the National Dairy Council. I think we have wandered far away from the item. The National Dairy Council is composed of representatives from the different provincial dairy associations. We have a dairy association in eastern Ontario, one in western Ontario, and there are similar associations in the other provinces. The National Dairy Council has rendered invaluable service to the dairying industry of Canada. For the last twenty-five years I have been the secretary of the dairymen's association of eastern Ontario, and for many years I represented eastern Ontario on the National Dairy Council. This council has appeared on many occasions before the railway board and has secured special rates for dairy products which have saved the farmers and dairymen of this country hundreds of thousands of dollars. They look after what we might call the dominion-wide interests of the dairy business, while the local provincial interests are looked after by the provincial associations. I submit that it is in the interests of the dairymen that this item be permitted to pass.

A remark was made this afternoon by the hon. member for Weyburn, to which I should like to draw attention. He asked why it took two pounds of butter to buy one pound of axle grease. The reason is the treaty with Australia and the agreement with New Zealand made by the government which he supported. They demoralized the dairy industry of this Dominion and put it in the condition in which it now is. I was a member of a deputation which waited on the late Mr. Robb, the then Minister of Finance, to ask that this treaty be not put into effect and I stated on that occasion that if New Zealand were permitted to ship her dairy products to Canada, within ten years the dairy industry of this country would be demoralized. But I was but the voice of one crying in the wilderness. We received no sympathy, and we are suffering to-day from the effects of the treaties which were consummated by the late government. Not only did they demoralize the dairy industry of this country, but they have earned for us the ill will of both New Zealand and Australia. Because of the splendid service rendered to the dairymen of Canada by the National Dairy Council, I submit that this item should pass.

Mr. POULIOT: Mr. Chairman, I congratulate the hon. member for Lanark upon his very interesting speech, but he will pardon me if I do not share his views in that respect. We have heard a lot about the Australian treaty and the New Zealand convention, but those agreements were passed before the "shadow government" came into power. That government was in power for three months, but the agreements were not cancelled. The hon. member is on the right side of the house to make a complaint to the present Minister of Trade and Commerce, who is always ready to enter into trade relations with Australia and New Zealand. I should like to read an excerpt from the Montreal Gazette of to-day with reference to dairy products. This is the latest report available. It reads as follows:

Dairy Markets Ruled Steady
No Changes In Montreal Prices Of Butter, Cheese Or Eggs
Storing Of Butter Now Starting as Receipts Exceed Requirements—April Imports Less

Wholesale prices of butter, cheese and eggs held steady at Montreal yesterday. Potatoes were a little easier. Poultry was unchanged.

The butter market continued at 21 cents to 21¾ cents per pound for No. 1 pasteurized creamery butter, carlots or broken lots. To the retail trade, for small quantities, solids were 23 cents and prints 24 cents per pound. Receipts were on the heavy side, 5,420 boxes; week ago, 430; year ago 109.

Most of the butter now arriving on the Montreal market is full grass butter, and dealers are starting to store some of it. Arrivals are now greater than immediate requirements. Receipts last week just over 20,000 boxes, whereas the weekly requirements of the city run from 10,000 to 12,000 boxes. Montreal exported a little over 3,000 boxes last week, leaving a few thousand boxes available for storage, for use later in the year when production falls off.

This report confirms the statement made by the hon. member for Lisgar. It continues:

The cheese market was unchanged at 10¾ cents to 11 cents per pound for Ontario cheese, and 10 cents for Quebec cheese. Receipts, 2,395 boxes; week ago, 372; year ago, 843.

I want to put this on record in connection with the present discussion of the results in the dairy industry. Before I conclude, may I ask a question of the minister? He spoke about the rock bottom reached by butter last winter. What was the rock bottom reached by butter when the mutual agreement was released last December?

Mr. WEIR (Melfort): Does the hon. gentleman mean what I considered the rock bottom last December when the agreement was made?

Mr. POULIOT: I want to know when the minister considered the rock bottom reached, and if it was for that reason that the mutual agreement was released?

Mr. WEIR (Melfort): The mutual agreement was not released. The butter was released.

Mr. VALLANCE: But the minister allowed the Australian butter to be released at less than 32 cents a pound.

Mr. WEIR (Melfort): By mutual agreement we allowed the butter to be released.

Mr. BROWN: I think what the hon. member for Témiscouata wants to know is what the minister considered the rock bottom price when the butter was released.

Mr. WEIR (Melfort): I shall be glad to get the exact information.

Mr. POULIOT: Has my hon. friend concluded his remarks?

Mr. WEIR (Melfort): Yes.

Mr. POULIOT: I should not like to interrupt him. I paid special attention to his remarks this afternoon, and according to the notes which I took at that time, he said that when butter reached rock bottom, there was a release of Australian butter that was held on consignment. I wonder what my hon. friend decided was the rock bottom price of butter when that action was taken, or what was the price of butter at that time?

Mr. WEIR (Melfort): I shall be glad to get the exact date of the release of the butter and the exact price in Montreal on that date, but I have not the information under my hand.

Mr. POULIOT: To-morrow.

Mr. WEIR (Melfort): Yes.

Mr. McPHEE: In connection with the same question, the Minister of Agriculture said that he permitted the Australian people to sell butter under 32 cents a pound because of a butter warfare between certain organizations in western Canada and price cutting. Will he kindly tell us what those organizations were?

Mr. WEIR (Melfort): My information, which, as I said, I regarded as reliable, was that there was a cutting of butter prices in Vancouver. I was informed confidentially that there was a cutting of prices on the part of different organizations, but I do not think it would be in the public interest to give the names of the organizations as reported to me.

Mr. McPHEE: Did the minister investigate the matter?

Mr. WEIR (Melfort): No.

Mr. VALLANCE: Are we to assume now that the minister is giving as an excuse for releasing the butter the fact that he was told something in confidence? I do not think the minister is going quite far enough. It seems to me that when he has used this confidential information as an excuse for doing a certain thing, the house has a right to expect him to answer the question asked by the hon. member for Yorkton and to divulge the names. If the information was given in confidence, I do not think he should have used it unless he is prepared to tell us the names of the organizations that were carrying on the price war.

Mr. WEIR (Melfort): The statement that I made was that when butter reached what I considered was rock bottom, I agreed to have the Australian butter released, and that I understood it had reached rock bottom due to a price war. But no matter what it was due to, the point I was making was that the action was taken when the price of butter had reached what I considered rock bottom. I do not see that the other matter which has been referred to has any bearing on the question.

Mr. McPHEE: Last Tuesday night the minister as reported at page 2005 and 2006 of Hansard referred to the matter. He said that the price of butter—

—was cut by something very much in the nature of a butter warfare between various organizations in the west.

Later on he said:

When Canadian organizations commenced cutting the price of butter to a point that we thought was nearly rock bottom, I agreed that the Australians could release their butter at a price less than thirty-two cents a pound.

Mr. McINTOSH: Was the price cutting the minister mentioned simply in Vancouver, or did it extend beyond Vancouver into the prairie provinces?

Mr. WEIR (Melfort): My information was that it was in Vancouver.

Mr. HACKETT: In view of the interest that this item seems to have created, I am going to put on record a few facts that may be of assistance when this item is under discussion either here or elsewhere. A number of questions asked have elicited answers which it seems to me are misleading if taken apart from the whole subject matter. The Australian treaty became effective in the autumn of 1925. In the year 1925 and in the following years, according to the bureau of statistics, Canada exported these quantities of butter:

Year	Exports pounds	Value
1925	26,646,535	$9,917,516
1926	9,814,300	3,352,829
1927	2,696,000	1,068,610
1928	1,994,800	805,055
1929	1,400,490	583,061
1930	1,180,400	410,447

During the five years that that treaty was in effect we diminished our export of butter twenty-five times; that is, we were exporting twenty-five times less butter at the end of five years than when the treaty became effective. The imports, according to the bureau of statistics, for the same years are as follows:

Year	Butter imports in pounds	Value
1925	99,748	$ 39,315
1926	9,151,882	3,451,812
1927	11,208,819	3,892,640
1928	16,801,656	5,937,170
1929	35,928,240	12,714,253
1930	38,606,055	12,393,662
Twelve months preceding Sept. 30, 1930.	47,031,642	15,572,854

Mr. VENIOT: Has the hon. member also the figures of the production and consumption in Canada?

Mr. HACKETT: No.

Mr. VENIOT: Then his argument falls to the ground. We produced over forty million pounds less than we were able to consume.

Some hon. MEMBERS: Why?

Mr. HACKETT: I would point out to the committee that there was every reason for our production of butter to increase during that period because in those years, by reason of legislation hostile to the export of milk and cream—this is particularly true of the eastern townships, and truer still of the border counties of the eastern townships from which such large quantities of milk and cream were exported to the large centres of New England—exports were greatly curtailed.

I will now give the quantities of milk and cream which in ever-diminishing volume were exported during the five-year period under review.

Mr. POULIOT: Before my hon. friend comes to that, does he contend that the importation of butter has anything to do with the price of butter in this country? If so, how is it that if we are importing less butter now, the price is much lower than it was before?

Mr. SHORT: What is the price of other commodities now?

Mr. POULIOT: Speak of fish, you. You know nothing about butter.

Mr. HACKETT: If my hon. friend will bear with me for a few moments, I will deal with prices. I am now dealing with quantities. In 1925 we exported from Canada—and I can assure my hon. friend from Témiscouata that most of this export came from the province of Quebec—4,314,193 gallons of milk, of a value of $784,081. The figures are as follows:

Year	Exports of milk in gallons	Value
1925	4,314,193	$784,081
1926	4,801,705	971,016
1927	3,673,242	729,823
1928	3,959,812	866,920
1929	3,291,819	750,257
1930	1,475,618	309,011

Our exports of cream were as follows:

Year	Exports of cream in gallons	Value
1925	4,077,487	$7,000,141
1926	4,457,129	7,601,432
1927	4,044,916	7,120,209
1928	3,043,418	5,593,399
1929	2,385,754	4,911,535
1930	1,269,721	2,468,216

To summarize, during this period our exports of butter were reduced from over

26,500,000 to 1,000,000 pounds, and our imports increased from 99,000 to 47,000,000. Our milk subsided in export from 4,314,000 to 1,475,000 gallons, and our cream subsided in export from 4,077,000 to 1,269,000 gallons. That has to do with the quantity. I submit for the moment that when this treaty became effective and butter was brought in from Australia and New Zealand, we ceased to be an exporting country and we ceased to enjoy our own markets—and this in spite of the fact that we had been denied another market to which we were sending the very commodity from which butter is made.

As pointed out by my hon. friend from Témiscouata, there is another aspect to the question, and that is price. The price of butter has subsided. Butter has gone down in price until it is now about 21½ cents per pound. All along the border for years butter in the United States, and particularly in the New England states, has sold at a retail price of from ten to twelve cents higher than the price in Canada. That fact is known to everybody in the dairy business in the eastern townships.

Mr. REID: Not in the state of Washington.

Mr. HACKETT: When I went to school the state of Washington was remote from the states of Vermont, New Hampshire and Massachusetts.

An hon. MEMBER: Why not quote world's prices?

Mr. HACKETT: Between New England and Montreal there was invariably a difference in price of from ten to twelve cents a pound. To-day butter in these New England centres is selling within the range of one cent of the price at which our own butter is selling in Montreal.

Mr. BEAUBIEN: Would the hon. member tell the committee where he got his figures?

Mr. HACKETT: Yes; I can tell the department and the person who supplied the information.

Mr. BEAUBIEN: Just the department.

Mr. HACKETT: The bureau of statistics.

Mr. ILSLEY: Was there not a period of four or five months in the early part of 1930 when the price was higher in Canada than it was in the United States, and if so how does that affect the argument of my hon. friend?

[Mr. Hackett.]

Mr. HACKETT: In 1930 the price of butter in the New England states certainly was higher than the price in Canada.

Mr. ILSLEY: No.

Some hon. MEMBERS: No.

Mr. HACKETT: Within the past two decades there never was a time, until very recently, when the price of butter was lower in New England than in Canada.

Mr. STEWART (Edmonton): I am afraid my hon. friend will have to revise his information, because butter came to Montreal in the early part of 1930.

Mr. ILSLEY: My information is that the price was higher in Montreal.

An hon. MEMBER: That is not a question.

Mr. ILSLEY: Very well, I will ask a question, if my hon. friend will give me a little latitude. My information is that during the first four or five months of 1930 the price of butter was higher in Montreal than in New York. In order to make a fair comparison, would those centres not be representative, and is the statement I have made not true? If my statement is true how does it affect the argument made by my hon. friend?

Mr. HACKETT: It is not true. At least, I shall modify my answer to this extent: in an attempt to be fair I have procured all the figures available from authentic sources and I have not found the situation described by my hon. friend.

Mr. DONNELLY: I have an average price supplied me by the bureau of statistics.

Mr. HACKETT: Would the hon. member permit me to continue my statement. I do not wish to appear arrogant, but after all if I do not continue I shall not finish to-night. I have before me the average prices at the factories in Canada during the last five years. These prices apply to creamery butter; the prices of dairy butter have to be estimated, for reasons apparent to all.

Year	Cents
1925	37·17
1926	34·85
1927	37·13
1928	38·51
1929	38·60
1930	31·00

Having regard to the reduced prices at which butter is selling it seems to me it

would be useful to consider the prices at which fodder and mill feed are selling, commodities which are used for the production of butter. I have before me the prices for bran per ton, including bags, ex-track Montreal:

Year	Price per ton
1926	$29 58
1927	32 25
1928	35 20
1929	32 58
1930	27 84

The price of bran reached a low mark in November of 1930 when it sold for $20.37 per ton. My information ends with the price of $21.25 per ton in January and February of this year. I am informed that bran costs from $2 to $4 more a ton in the townships than it does ex-track by carload lots in Montreal. To the prices I have quoted are to be added transportation costs, plus profits to the middle man and the retailer.

In regard to shorts I wish to place on Hansard the following prices:

Year	Price per ton
1926	$31 51
1927	34 52
1928	37 36
1929	34 01
1930	29 18

The low price reached in January and February of this year was $21.25. These prices are quoted per ton including bags ex-track Montreal. It will therefore be seen that although the price of butter has fallen the price of feed used in the production of butter has likewise dropped. In the case of bran there is a drop from $37.36, the high price in 1928, to $20.37 in November, 1930, and shorts from $37.36 in 1928 to $21.25 in January and February of this year. As I have said, $2 to $4 per ton should be added to the Montreal prices of bran and shorts to arrive at their prices in the eastern townships.

Mr. VALLANCE: Does the government take credit for the lower price of bran?

Mr. SHAVER: Your government did that.

Mr. HACKETT: I have thought it well to put these figures on record, because some of them may not meet the views of some hon. members. I do not like to see the price of butter as low as 21½ cents, but it seemed to me to be reasonable, inasmuch as such general interest had been taken in that particular commodity, so far as possible to assemble the relevant information so that it might be available to those who wished at a later date to discuss the topic.

Mr. LAPOINTE: That seems to be a confession of guilt.

Mr. BEAUBIEN: May I congratulate the hon. member (Mr. Lawson) who is presiding over the proceedings at the moment on attaining the high office which he now occupies. I have not taken much part in this debate; however may I say in passing that I hope you will not rule me out of order too often.

The ex-Minister of Agriculture cited certain figures. I have some figures before me which I hesitate to give because those cited by the ex-minister were contradicted by the hon. member for South Hastings. How do I know that the figures given a moment ago by the hon. member for Stanstead are accurate?

An hon. MEMBER: They are not.

Mr. BEAUBIEN: The hon. member for South Hastings claimed he got his figures from the Department of Agriculture. The hon. member for Stanstead stated he got his from the bureau of statistics. The ex-Minister of Agriculture said his figures came from Doctor Ruddick, the dairy commissioner, and my figures—

Mr. MOTHERWELL: I said my figures were based on information which Dr. Ruddick received from the bureau of statistics.

Mr. BEAUBIEN: My figures are signed by Doctor Ruddick, the dairy commissioner. It seems to me that the minister should clear the atmosphere and let us know what figures are right and what figures are wrong. I really hesitate to give any figures. I do not know whether the hon. member for Stanstead was correct when he said that in round figures we imported 35,000,000 pounds of butter in 1929. If we did, and we imported subsequently up to the month of April of this year only 3,000,000 pounds odd—

Mr. WEIR (Melfort): One year and five months.

Mr. BEAUBIEN: Yes. If that is so, how does the hon. member for Stanstead reconcile the difference in price? We have had four sets of figures quoted respectively by the ex-Minister of Agriculture, the member for South Hastings, the member for Stanstead, and myself, and I think we should be advised which is correct. Let me take the prices for butter from the time the Australian and New

Zealand treaties came into effect. The following are the prices for No. 1 pasteurized creamery butter in Montreal on January 2:

Year	Price per pound
1925	35½
1926	45
1927	41
1928	35½
1929	40¾
1930	38¾
1931	30

If my hon. friend from Stanstead is right in contending that we had a higher price for butter when we imported the greater percentage of it, I am convinced we had better continue our importations. When we imported 35,000,000 pounds of butter the price in Montreal on January 2, which is generally the highest price of the year on account of the climatic conditions, was 10 cents per pound higher than it is to-day; that is, 40¾ cents in 1929 as against 30 cents in 1930. I live in an entirely agricultural district, and it may interest my hon. friend from Brome-Mississquoi to learn that in proportion to population there is as much or perhaps more dairying carried on there than in his riding. I live alongside the Dakota and Minnesota borders, and I will tell the committee the steps I took to offset the unfair campaign of my opponents in regard to the importation of butter. In this connection I want my hon. friend from Marquette to listen. He told us this afternoon that the cow has two stomachs and only one set of teeth. Well, he will be interested to hear how I combated the unfair butter propaganda in my county. Let me tell him and his friends that undoubtedly they did slip into power on a pound of butter, and I am confident they are going to slip out of power on the price of butter. I went over to the States and sent some of my friends over there to see how the price of butter fat compared with our price in Manitoba. Remember, this was during the heat of the campaign when the country had been drowned with all kinds of literature sent from this house for years and years—literature prepared by this very organization to which we are asked to vote a subsidy; literature which, if it is not political in its purpose, bears a very close resemblance to it. May I say to the hon. member for Parkdale right now before I forget it, that any time we ask for information we are handed lectures from his side of the house. If it is not a lecture by the Prime Minister it is one by the member for Parkdale. Instead of giving us lectures it would be better if they would let the minister put members of the committee on the right track as to which is the correct figure; then we would save all this discussion.

Now let me give the committee the difference in the price paid for butter fat in Minnesota and Dakota and in Manitoba. It was only one cent—that was all the difference. Thereupon I had affidavits made by responsible people in Minnesota and Dakota, and the butter propaganda of our Conservative friends had no further effect in my riding. After the eulogy paid his officials by the minister and by his predecessors, may I ask him to tell the committee if the figures presented to us signed by his own officials, who are so efficient—and I know they are efficient, they are the finest group of officials in any department in Ottawa, or at least they are as good as any—will he tell the committee which are the right and which are the wrong figures? I think we are entitled to this explanation.

Mr. PICKEL: Mr. Chairman—

Mr. CASGRAIN: Let the minister answer.

Mr. WEIR (Melfort): Mr. Chairman, I do not think the former Minister of Agriculture feels he has produced an elegy to-day, and I certainly do not feel that I have—

An hon. MEMBER: It is a churchyard business.

Mr. BEAUBIEN: Perhaps my hon. friend misunderstood me; I meant praise. Sometimes I do not get the right English word.

Mr. WEIR (Melfort): I thought the hon. member meant something different altogether.

Mr. BEAUBIEN: No, I meant praise.

Mr. WEIR (Melfort): I still do not think there is any dispute as to the accuracy of the information given by the officials of the department. I think the dispute is as to the different methods of computation. That is the whole thing.

Mr. BEAUBIEN: What is the right method?

Mr. WEIR (Melfort): If the committee wish me to take the time to read those figures—

An hon. MEMBER: We will listen to you gladly.

Mr. BEAUBIEN: Mr. Chairman, before the minister reads out his figures may I give him mine?

Mr. ROWE: You said they were no good.

Mr. BEAUBIEN: I am sure the hon. member for Dufferin-Simcoe could put us right as to the figures, because he certainly went around the country giving figures during the campaign.

Mr. ROWE: I stayed out of your constituency.

Mr. BEAUBIEN: Certainly. My constituents will not believe anything so exaggerated as it was by my hon. friend.

Mr. ROWE: It is a wonder you are here, then.

Mr. BEAUBIEN: It may be, to my hon. friend. Now, in regard to the denial by the hon. member for South Hastings of the accuracy of these figures as to the production of milk in Canada from 1924 to 1929, it is very important that we should have the question settled. He claimed production of milk was very much less than the figures I gave. Just giving round figures, the total milk production was as follows:

Year	Pounds
1922	9,000,000,000
1923	11,000,000,000
1924	12,000,000,000
1925	12,000,000,000
1926	13,000,000,000
1927	14,000,000,000
1928	14,000,000,000
1929	14,000,000,000

The hon. member for South Hastings claimed that these figures were not right; he claimed we never did produce that amount of milk during those years. Let the minister put us right; let us know where we are. He must have the figures there.

Mr. WEIR (Melfort): It must be understood that these figures are, in the first place, estimates. The only years for which I have figures here are 1928 and 1929. In 1928 the milk production was 14,512,897,961 pounds, while in 1929 it was 14,349,023,000 pounds.

Mr. BEAUBIEN: Now we have it; a responsible minister gives exactly the figures I have here. The hon. member for South Hastings denies these figures and tries to create the impression in the committee and in the country that the ex-Minister of Agriculture is misrepresenting the facts. The hon. member made the accusation that on the eve of an election, or the year before the election, the figures were cooked in order to try to prove to the people that the production of milk was greater than it really was. The Minister of Agriculture now comes along and gives us the facts. The ex-minister was correct, and I claim he was one of the best ministers of agriculture Canada ever had.

Mr. MOTHERWELL: I would say to the hon. member for Provencher that he should not be too hard on the minister. We have been angling for this information for two days; this is the third sitting during which we have been asking for it. I asked for it four times, and I congratulate the hon. member on getting it at once. There is nothing like staying with the job. If we can get the information for one or two years, why can we not get it for all the years I cited?

Mr. WEIR (Melfort): I have not the figures here, but I shall be glad to get them.

Mr. MOTHERWELL: Does not the minister think he should have them with him, when they were asked for several times?

Mr. ROWE: We are taking your figures.

Mr. MOTHERWELL: I am not the minister of agriculture; this is the minister to whom we must look for the figures.

Mr. ROWE: He has your figures.

Mr. MOTHERWELL: Perhaps the hon. member himself might get up and explain these things. We have the admitted facts, with regard to two years. The statement of the Tories on our dairy industry was the rankest piece of campaign falsification of which I ever heard. That is why the minister did not want to admit the facts. Probably he engaged in it himself.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Who is that yelping now? There must be a coyote somewhere. We have them run to ground at least on two years and we are going to keep at them for the other seven years. Is it not a reasonable assumption that if my figures correspond with those given by the minister with regard to two years all my figures will correspond? I obtained them from Doctor Ruddick when I was still minister, and he is not going to cook them in the meantime. Money would not induce Doctor Ruddick to cook these figures. The deputy minister would not do anything of the kind, and that is why I was so sure the minister had them all along, right in his desk. He must have more figures, also. He has come across with one bunch, but he tries to blame us for blocking his estimates. Often I have been blamed for blocking my own estimates, but my hon. friend has beaten me forty ways in the matter of blocking estimates, by refusing to give information.

Now that we have him giving information, by way of priming the pump let me see if I cannot get some more figures. I would ask on behalf of the committee that my hon.

friend get the rest of those figures for the other years. Why should we be wrangling for two or three days about these figures? We knew this was the crux of the situation; hon. gentlemen opposite knew it, and at last they have coughed them up. Let them cough up the rest of them, and get along with this business. I do not want the minister to be cross with me; please do not look crossly at me. I cannot go to Doctor Ruddick now, when this scrap is on, and try to get figures. I could have had them right up to date, but I thought these would be sufficient, so I cannot go to him now; it would only get him in wrong. Here is Doctor Ruddick's letter to me under date of March 20:

I have your letter of the 10th instant inquiring as to prices for butter. I give you the prices for No. 1 pasteurized creamery butter at Montreal on January 2 for the years 1921 to 1931.

Those are the years in which we are interested. During those years the Liberal administration was in power, and we were charged with neglecting the business of the country, especially the dairy business to such an extent, that it was on the toboggan. My hon. friends from Quebec tell me they lost twenty seats in their province because of that campaign carried on by the present government, which was false from top to bottom. It was their only cry. We could have bucked the hard times if we had not had this cry to fight. Then they shot into power.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Will the hon. gentlemen be kind enough to remember that we cannot have half a dozen people speaking at once? Hon. gentlemen opposite shot into power on a bunch of butter and we want to shoot them out of power in the same way, in due time. We do not want them out for a while yet, however; let them wallow in their own mire. Here are the figures as given me by Doctor Ruddick, representing the prices of No. 1 pasteurized creamery butter at Montreal on January 2 of the following years:

	Cents
1921	55

It was quite high in 1921; it had not then receded because of the general deflation. It was high all over Canada; some time previous to that it had gone to $1 a pound in the west. Then the figures continue:

	Cents
1922	37
1923	40
1924	44
1925	35·50

[Mr. Motherwell.]

That is the year the Australian treaty was enacted, but since that treaty was not passed until well on in the year, it could not affect the price for that year. The year 1926 was the first year after the Australian treaty, and the price was 42 cents, or 7 cents higher than the year before. I do not say the price increased because of the treaty, but certainly it did not go down. Who was hurt? How many farmers were hurt because they received 7 cents more for their butter in 1926 than in 1925? Where is the farmer who will say that this hurt him?

Mr. McGIBBON: Will the minister be good enough to tell me—

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: I did not hear my hon. friend, but it is not likely it meant anything anyway. We will pass along; the hon. gentleman just wanted to ruffle the atmosphere for a moment and draw attention to himself. The other figures are:

	Cents
1927	41
1928	35·50
1929	40·75
1930	38·75
1931	30·80

It will be seen that the price was substantially lower in the last year quoted. On January 2 of that year it was nearly 9 cents per pound lower than on January 2 of 1930. At all events they cannot charge that against us. Their whole cry was a bogus and a false campaign from top to bottom. The times reacted in their favour but now they have to face the music and take the facts home with them. The Tories had a rally in Alexandria, down in Glengarry county, but if the speeches are looked up in the Journal it will be seen that it was the tamest, weakest milk-and-water meeting ever held. The correspondents whipped it up a little bit and tried to add a little enthusiasm, but the speeches make very tame reading. They claimed the Liberals were the cause of the present trouble in the dairying industry, but that is about the end of it. It will be found that it took eight speakers to make a meeting; it would take another eight to make a meeting anywhere near worth while. You would think it was a logging bee they were attending.

I have given the price figures from 1921 to 1931; the hon. minister has given us the production figures for two years but unless the hon. member for Provencher desires to press immediately for the figures for the other seven years, we will give the minister a little breathing spell and wait until to-morrow for them. I

cannot understand why his deputy has not that information, because he used to get it for me. When was butter so low in price as it is at the present time?

Mr. SPENCE: When was everything so low? When was feed so low?

Mr. CASGRAIN: That is not what the hon. members promised at the last election.

Mr. MOTHERWELL: The minister might as well make up his mind to give the committee this information, because we are going to get it. Hon. members can holler their heads off but it will not make any difference to me. I can stand it, I have been through this sort of thing for a long time and my hide is tough enough. I have helped to prime the pump, I have given the figures for ten years, will the hon. minister give the committee the price figures back of 1921? Let him take any date in the year, I do not care which, but let him give the committee the figures for the different years. My recollection is that it is at least twenty-five years since the price of butter has been so low. What a war-whoop there would have been if the price had been so low when we were in power. As it was we heard a lot of Comanche war-whoops. Why should I have to give figures and the present minister be allowed to withhold others? He has the same deputy, and—

Mr. MacMILLAN (Saskatoon): Will the hon. member permit a question?

Mr. MOTHERWELL: Yes.

Mr. MacMILLAN (Saskatoon): You have been explaining to the committee that during the time when you were Minister of Agriculture—

Some hon. MEMBERS: Chair.

Mr. MacMILLAN (Saskatoon): The hon. member permitted my asking a question.

An hon. MEMBER: Ask it of the chair.

Mr. MacMILLAN (Saskatoon): Let me ask him this question.

Some hon. MEMBERS: Order.

An hon. MEMBER: Address the chair.

Mr. MacMILLAN (Saskatoon): Mr. Chairman, the ex-Minister of Agriculture says that during the time he was head of the department excellent prices were obtained for butter. If that is so, how does he account for the fact that during his regime the cattle population of Saskatchewan dropped by one-third, or over 500,000?

Mr. MOTHERWELL: The hon. member refers to cattle?

Mr. MacMILLAN (Saskatoon): I said "cattle", and that includes the cows which we heard about this afternoon and about which we are now talking.

Mr. MOTHERWELL: They are better cows. A system of testing and weeding out was inaugurated by the federal and provincial governments. This afternoon, I understand, a remark was made detrimental to Mr. W. A. Wilson. I do not know what it was, but it was false whatever it was. Mr. Wilson left Canada—

Mr. MacMILLAN (Saskatoon): Mr. Chairman—

Mr. MOTHERWELL: Will the hon. member please sit down ?

Mr. MacMILLAN (Saskatoon): Mr. Chairman, I rise to a point of order. When I was speaking this afternoon on this item—

Mr MOTHERWELL: That is not a point of order.

Mr. MacMILLAN (Saskatoon): The hon. member across the way says that I made a statement which was not correct or which was false. All I said was that during the time of the trial—

Mr. MOTHERWELL: What trial?

Mr. MacMILLAN (Saskatoon): The trial in Saskatchewan of a certain gentleman.

Mr. MOTHERWELL: The trial of Wiljames Thompson?

Mr. MacMILLAN (Saskatoon): When the hon. member was Minister of Agriculture he had a man appointed in the province of Saskatchewan who was head of the cooperative creamery.

Mr. CASGRAIN: That is not a point of order.

The CHAIRMAN (Mr. Lawson): I shall have to ask the hon. member to state his point of order.

Mr. CASGRAIN: There is no point of order.

Mr. MacMILLAN (Saskatoon): My point of order is this: the gentleman to whom he refers was sent by the ex-minister—

Mr. CASGRAIN: That is not a point of order

Mr. MacMILLAN (Saskatoon): The statement I made is correct and can be proved by the comment of the judge, who stated that Wilson's absence was deliberate.

Mr. MOTHERWELL: There is an item in the agriculture estimates in connection with Mr. Wilson and if my hon. friend desires to attack his record I shall be quite prepared to defend him. I do not know whether or not he is still in the employ of the government, but the evidence will be available. Someone seems to be always taking the joy out of this thing by wheedling us away from the minister. I want to hang right on to the hon. member, I have given him the butter prices for ten years, and I want him to give us the figures for the other years. We agree that his deputy is a competent man; his salary was raised $4,000 during the Liberal administration and is now as large as the salary of the minister, who would not, I imagine, want it to be any larger. I have given the prices of butter for the years 1921 to 1931 as given by Doctor Ruddick. Would the minister go back from 1921 and find out when the price of butter was lower than it has been this last week, that is, 18½ cents per pound basis No. 1 Montreal?

An hon. MEMBER: What purpose would it serve?

Mr. COTNAM: The price of butter was—

Some hon. MEMBERS: Order.

Mr. COTNAM: —fifteen cents per pound.

Mr. MOTHERWELL: What does my hon. friend want?

Mr. COTNAM: The hon. member asked when the price of butter was lower than eighteen cents per pound, and I tell him that butter was twelve cents per pound during the election campaign.

Mr. MOTHERWELL: I remember when the cheese business was first started in eastern Canada some fifty-five or sixty years ago and at that time the price of milk was four-fifths of a cent per pound. I do not need any statistics to quote those figures, because I got up at half-past four in the morning to milk the cows. I was the first one on the milk route and the price we received was eighty cents for one hundred pounds, and it takes about 11½ pounds of milk to make a pound of cheese. Consequently at that time it cost in milk 9 cents to produce a pound of cheese. If you add one and a half or two cents for the cost of manufacture, that would make the cheese worth about 11 cents at that time, namely, fifty-five years ago. It is lower than that now; it has been as low as 8⅛, 9, and 10 cents a pound. It has gone up a little. Therefore my hon. friend might as well give me the figures because I am old enough to remember them as far back as fifty or sixty years. I should like to have my memory confirmed if he can go back, say, to around 1901. Doctor Ruddick has the figures as far back as 1898 and I think some of the authorities in the city have them nearly as far back as 1890, so we look to my hon. friend to help us out of our difficulty in this respect.

Mr. MULLINS: The hon. member for Melville made the statement that it was an unfair campaign. Our constituencies adjoin each other and there never was a fairer campaign carried on by any candidate.

Some hon. MEMBERS: Oh, oh.

Mr. MULLINS: Let me tell the hon. gentleman for his information: at the time I was running that campaign you could buy two pounds of butter in Marquette for a tin of axle grease.

Some hon. MEMBERS: Tell us about the cow.

Mr. MULLINS: My hon. friends are costing this country thousands of dollars by blocking this estimate.

Mr. ST-PERE: The hon. member is blocking it.

Mr. MULLINS: My hon. friends have a purpose. What are they doing it for? They are playing a gallery game for purposes well known to themselves. If the Minister of Agriculture does not make a better showing and put agriculture on a better footing than the hon. member for Melville did when he was in office, I shall move over to that side of the house.

Mr. CASGRAIN: Let him stay where he is. We do not want him.

Mr. MULLINS: My hon. friends do not want me. It might be better for them if they had on that side a man who knows something about live stock, because the former Minister of Agriculture knows nothing about it or he never would have wasted hundreds of thousands of dollars in breeding cattalo. Do hon. members know what they are? A Wainwright mongrel, part buffalo and part cattle, that no other man would have wasted thousands of dollars of Canada's money to raise.

Mr. BEAUBIEN: Will the hon. gentleman give the reasons for the difference? Which part was buffalo and which part was cow?

Mr. MULLINS: I have been in western Canada many years; I have run many elections, and I do not know of another that

was run as honestly. We used no scandal; we took the real issues and we discussed them on the platform, if that is any information to the hon. gentleman. When he says it was false and unfair, he is stating what is untrue. The statement that he makes is absolutely wrong. I ran an honest election; I referred to no man personally; I referred to the hon. gentleman's administration. He wasted the country's money in appointing hog graders. Did hon. members ever hear of such a thing? It was the most iniquitous system that was ever placed in the stockyards of Winnipeg, Toronto and all the other cities, just for the purpose of making political jobs for political friends. The hon. gentleman bought a number of horses on the western ranges, and I would ask him to tell the house what amount of money was lost? Some $20,000. The hon. gentleman was going in for all these foolish experiments. If the present minister does similar foolish things, I shall move over to the other side.

Mr. CASGRAIN: We do not want the hon. member.

Mr. MULLINS: My hon. friends do not want us because we are standing out for honest government.

Mr. DUPUIS: Will the hon. member allow me a question?

Mr. MULLINS: My hearing is not very good and it is difficult for me to hear the hon. member. Let me mention another point.

The CHAIRMAN (Mr. Lawson): I would much appreciate it if hon. gentlemen who interrupt would observe the rules of order.

Mr. MULLINS: In the transportation of live stock from western Canada, a subject in which I have been vitally interested, expenses were never piled up as much as they were during the regime of the hon. member for Melville.

Mr. DUPUIS: I rise to a point of order. The hon. member for Marquette is out of order because he is not dealing with the question before the chair. Live stock is not the question at present before the chair, and I submit that the hon. member should be ruled out of order.

The CHAIRMAN (Mr. Lawson): The item before the chair is: "Dairying, including grant of $5,000 to National Dairy Council". Considerable latitude has been allowed to hon. members on both sides to discuss under this item the last political campaign. Would the hon. member for Marquette kindly confine his remarks to the dairy industry?

Some hon. MEMBERS: Talk about the cow.

Mr. MULLINS: I am talking about the dairy industry, but you, sir, permitted the hon. member for Melville to make the statement that an unfair election was run in Marquette. This was not the case, but the dairy cow played an important part in that constituency. The dairy cow was in evidence on every platform and it was she who defeated him. Moreover, when the four years are up, the dairy cow, with the policies that the hon. gentleman who is now Minister of Agriculture will put into effect, will bring us back into power again.

Some hon. MEMBERS: When?

Mr. MULLINS: At the end of four years when we go to the country. We will use the dairy cow again in the next election and instead of having a majority of 2,700 I shall have 5,000. The hon. gentleman did everything he could to ruin the cattle industry in western Canada; he never did a thing that I know of, to promote it. The dairy industry has been set back by the policies of the ex-minister. I have mentioned before the policy with regard to pure bred sires, and how the farmers are now left without any cattle at all on account of that policy.

I should like to mention, Mr. Chairman, that my constituency took first prize for butter at Toronto exhibition and at various other exhibitions. My constituency is largely engaged in the dairy industry as well as in the production of beef cattle, and it was largely through the policies of the former Minister of Agriculture that I received such a large majority in the constituency of Marquette. Let me just state one more fact, and then I shall conclude because I do not want to detain the committee. In the stockyards when beef and dairy cattle would come in, under the policy of the former Minister of Agriculture there was a charge of $2.50 per hundred for barley when it was selling up the country at 25 cents a hundred. When the farmers were exploited in that way, can anyone say it was unfair to bring out those facts on the platform? The former Minister of Agriculture was responsible for that policy, and responsible also for charging the farmers $1.50 a bale for hay. The farmer could have been protected against all that if the former Minister of Agriculture had looked after the interests of agriculture when he had his agricultural bill before the house. I say it is absolutely unfair for hon. gentlemen opposite to block this estimate—

Some hon. MEMBERS: Who is doing it now?

Mr. MULLINS: —and I say they have some motive for it.

Mr. SPEAKMAN: In listening to what has been going on I have been wondering what we are really discussing here to-day. As I understand it, we have before us an item dealing with dairying. A little while ago the hon. member for Marquette said something to the effect that the old cow was a stranger to this house. I am beginning to think that the old cow's husband is a rather familiar object here, and while the old cow herself may be without guile, her husband certainly is not.

There is another thought which came to my mind a moment ago, which bears directly on the subject before us. This committee has been little bit more than a bull garden for the last two hours; it has been almost a bear garden at times, and I was wondering as I sat here just what some of our farmers would think if they could have listened to us for the last two hours. I am making no references to any particular individual, but may I suggest this? So far as I can see, the dispute this afternoon is not so much over the accuracy of the figures that have been presented as with regard to the deductions which have been drawn and the arguments which have been adduced therefrom. It does seem to me that in discussing the varying amounts of butter production during past years we have overlooked what is propably the greatest factor, and that is not the political but the economic factor. I imagine, and I have been in the dairy business for about forty years, that we can divide the dairymen of this country into two classes: first, those to whom dairying is their chief business, those who are professional dairymen, you might say, who carry on that business year in and year out as their main farming operation, and secondly, those to whom dairying is but a branch of agriculture to be taken up when it seems to be most profitable, and to be dropped when other branches of farming appeal to them as more profitable and as offering perhaps an easier method of making money.

Speaking a year ago on this subject, I made this statement, which I think is absolutely correct and may bear repetition, that the dairy production of this country—and in that I include milk and all its products—might be likened to an index needle which pointed to the condition of the wheat market. During the years when the raising of wheat can be carried on profitably, the second class of dairymen to whom I have referred, to whom dairying is a side issue, will not milk cows; they will proceed with grain farming. But when prices go down below cost, as they have done of late, they will turn to anything which will bring in a little ready money, and many of them at this time are turning to dairying. It is not a question now of the price of butter or of butter fat. If that were all, they would not be milking cows. But it has come to the point where they are using every possible means in every direction to make a little extra money. At the moment the price of butter fat, I suppose, is lower than it has been since the nineties. A few days ago I received a letter from an outstanding farmer in my district who said that he had always thought I was exaggerating when I told him that in the nineties we sometimes used butter for axle grease, but that now he believed it because they were actually doing it because of the comparatively low price of butter. It does seem to me that we are not gaining very much by discussing hour after hour under whose policies this fluctuating production has taken place, because after all it comes down to the economic feature. Men will milk cows when they cannot make money in any other way, or when it seems to them more profitable than any other branch of agriculture. We see that exemplified to-day. The price of butter is very low, the price of butter fat is still lower, but the price of other things, comparatively, is lower still. That has led to an increased production. Then we had a very open winter last year, one of the most open and most favourable winters for dairy production that we have seen in western Canada for perhaps thirty years. That, coupled with immense quantities of almost valueless feed that was available, has led thousands of men to milk cows during the last few months who had not done so for years. At the present time, therefore, we can look for a continued increase in production. Most certainly we can look to this country being on an export basis for some time to come. That in turn will mean that we must take the export price, which now is most lamentably low. So far as I can see, the only assistance which can be given to the dairy farmer at the present time by any government, apart from the application of policies which may lower the cost of things which we must buy, reduce the interest on the money which the farmer needs to borrow, and lessen the tremendous burdens of indebtedness which the farmer carries, is first, to see that our standards are such that we can compete favourably on the world's market; and second, to see that we suffer no handicap by way of unfair competition from other countries, so

far as it is possible for the government to prevent it. Production is increasing on account of the economic conditions with which we are faced, and the only thing that will bring the dairy industry and all industries back to normal are sound financial and economic policies in the country as a whole. In the meantime, may I, as one member who is intensely interested in the people at home and in the business of this house, ask that we be not compelled to listen to the babble that has prevailed for the last two hours, but rather to an intelligent discussion of the question that is before the house?

Mr. HACKETT: Will the hon. gentleman say if, in the view he takes of the situation, he considers a tariff on butter helpful to the producer of butter?

Mr. SPEAKMAN: I am not a fanatic on the subject. I believe that when we are not on an export basis a tariff may be useful. When we get on an export basis to any large extent, unless one of two things happen, either a government board controls the entire output or the farmers so organize that they themselves can control it, the individual will take the export basis for all he sells at home or abroad. When it gets to that point on a real export basis we will take the export price.

Mr. PICKEL: Mr. Chairman, as I am a new member I ask for your special protection. The dairy farmers of Canada are asking for protection and that they be afforded an opportunity to supply the Canadian market. One would naturally expect that the opposition to an item such as the one under discussion would come from hon. members representing urban constituencies. Strange at it may seem, however, the greatest opposition encountered by the dairy farmers of Canada comes from the western wheat growers, members representing another branch of agriculture. I cannot understand their opposition.

Mr. VALLANCE: Where does my hon. friend get that?

Mr. PICKEL: We are not doing anything to injure the wheat farmers; we know a duty on butter will help us.

Mr. VALLANCE: Let me ask my hon. friend a question. Why was it that the minister—

The CHAIRMAN: The hon. gentleman has not resumed his seat. It is necessary that he should do so before another hon. member asks a question.

Mr. VALLANCE: Would the hon. member permit a question? He has been talking about protection for the dairy farmer. Why was it that when butter reached its lowest price for the year the Minister of Agriculture removed the 32 cents agreement entered into with Australia? What protection did the farmers receive from that action?

Mr. PICKEL: In answer to that question I can say only that the Minister of Agriculture told the house that a treaty was being negotiated with Australia and that at the present time we have only one cent per pound against Australia. That condition has arisen because of the Australian treaty for which hon. gentlemen on the opposite side of the house were responsible. I understand that permission has been given for the release of a certain quantity of butter. Concerning the production of milk in this country there seems to be a great discrepancy in the figures obtained from the bureau of statistics. I do not know who manages the bureau, but in the years 1928, 1929 and 1930 I have delved into the reports issued from that source. I learned that the production of butter on an export basis had declined by 26,000,000 pounds in four years, and we became importers of over 50,000,000 pounds. The production of cheese had decreased nearly one-half. Our exportation of milk and cream to the United States was diminishing. At the same time we had an excess quantity of milk, but 100,000 less cows. Those facts are hard to reconcile. Of course I am not disputing statements issued by the bureau of statistics but certainly I have my doubts as to their accuracy.

Mr. BEAUBIEN: Probably there were better cows.

Mr. PICKEL: Canada's dairy business was quite extensive and satisfactory until 1925. I have been dairying all my life, and until 1925 we had no complaints to make. Our prices remained on a par with those in the United States until 1914, the year of the beginning of the war, when we received a price from five to seven cents higher than that received across the line. That situation was borne out by the fact that about three-quarters of the traffic on the north and south roads from the United States leading into Canada carried smuggled American pork and butter. After the close of the war we were going to open our markets to the world, and we began to reduce our tariff. The rest of the world increased theirs and consequently the dairy industry in Canada suffered. I could take hon. gentlemen opposite through my riding and

show them farm after farm abandoned. I have in mind one particular road where in a stretch of eleven miles there are 37 houses boarded up. That condition exists all through the eastern townships, where, I think, I am safe in saying that there must be at least 2,500 abandoned farms. After the Australian treaty came into force and had been applied in this country for a few years the Canadian farmers were so hard hit that they shipped their milk and cream across the lines. Under the Hawley-Smoot tariff they have to pay $5.66 to get an eight-gallon can of cream across the line. That eight-gallon can of cream made just 39 pounds of butter. The Canadian government admitted the same amount of New Zealand butter for 39 cents, while we paid $5.66 to find a market in a foreign country to equalize the amount of butter fat required to make an equal amount of butter.

Mr. DUPUIS: Thirty-nine cents per pound?

Mr. PICKEL: Yes. They shipped 39 pounds of butter in here at a cent per pound, while we paid $5.66 to get an eight-gallon can of cream into the United States. I would ask the western farmers for a little more cooperation. We are engaged in the same industry, and I do not see what they have to gain by opposing the dairy industry of Canada. Certainly we are hard hit, and I do not know of anything which will help us out unless we restore our own market. The best market we have is the Canadian market. The American people have preserved their home market for their farmers. So much so is that true that in September, 1926, New Zealand sent a cargo of butter into New York harbour upon which the duty was 12 cents; the following day it was raised to 18 cents. The result is that no more New Zealand butter has been sent to the United States.

Mr. MACKENZIE (Vancouver): What is their condition now?

Mr. PICKEL: It has been coming to Canada ever since. I hope and trust that the government will be able to negotiate a treaty with Australia which will be fair both for manufacturers and dairy farmers, to replace the Australian trade treaty of 1925 which was very unfair from the standpoint of the Canadian dairy farmers. The manufacturers derived a great many advantages from that commonwealth but the Canadian dairy farmers paid the price. May I add that there is a $200,000,000 market for bacon in Britain, but we have none to sell? Why? Because we do not make butter. If we do not make butter we do not produce bacon; those two commodities go hand in hand. We have imported 100,000 carcasses of Australian lambs. To my mind, owing to the fact that we have the best sheep growing country on the face of the earth, such an importation is nothing but a crime. I am sure the hon. member for Melfort will agree with me that this is one of the best sheep countries in the world; but we are not protected.

I am not going to detain the committee any longer. I think the passing of these estimates has been held up quite long enough. I would ask hon. gentlemen who are engaged in the farming industry, whether they are raising fruit, wheat, or other products, to cooperate with the dairy farmers and give us protection for our products.

Mr. BROWN: We are all here trying to do our best for the dairy farmers.

Mr. MOTHERWELL: We have become accustomed to getting lectures from the Prime Minister, but now the duty has been undertaken by some of his supporters. If there is any better way of getting the information that we have received in the last ten minutes why was it not followed sooner? All day long and on into the night we have been trying to get certain information, and with one cast of the net the hon. member for Provencher got the information that my hon. friend the minister did not care to give. Isn't that right?

Some hon. MEMBERS: No.

Mr. MOTHERWELL: It is right. That was the crux of the whole thing. I took the ground that the production of milk was the proper basis on which to arrive at the condition of the dairy industry, and nobody disputed my statement. It is the basis adopted by every country. That has been conceded, but we have only got the information in the last ten minutes. Then my hon. friend from Red Deer wants to know why we make so much noise. Has he any quicker way of extracting information from the minister? If so, I should be glad to hear of it.

Mr. SPEAKMAN: I was not lecturing anyone, I was pointing out that the temper on both sides was not conducive to progress.

Mr. MOTHERWELL: We are talking about dairying. You don't have your best clothes on when you are milking cows. Anyway, we have got the information now. We have gone our own way about it, but if there be any better way I shall be glad to hear of it. I submit that if the hon. minister had furnished the information two days ago—that is

when it was asked for, as Hansard will show—we would be just two days ahead. I should also like to get information as to when the price of butter was as low as it is to-day. I think you will have to go back to 1904, but I am speaking only from memory, and my memory may not be right. Why should we not get that information? The price for export butter in Montreal has been as low as 18½ cents recently.

Mr. WEIR (Melfort): I do not think that I have the information here, but I shall be glad to get it.

Mr. MOTHERWELL: The minister cannot expect his deputy voluntarily to bring evidence before the court that is going to condemn his minister. The minister's deputy has the information, so has his dairy commissioner; but I submit, Mr. Chairman, the deputy cannot bring that information here voluntarily; he must be asked to do so, otherwise he would be condemning his minister and the Tory party all along the line. The evidence would be against the minister just as it is against him now. If he says he has not the figures I will let that stand over. But when was the price of butter as low as it is now? You have to go so far back that you would be surprised. When last January wheat dropped to 50 cents every statistician in the country was hunting up the records to see when it was that low before. That was a perfectly proper enterprise. Some authorities said it was 150 years ago. Now, I want to know whether it is 150 or 1,000 years ago. I do not think it is either, I think it is within this century, 1904, but I am speaking from memory. I do not see why we should not have the information. I think the minister has promised now to bring it down, and also information with regard to the 9 years production asked for.

Some hon. MEMBERS: Carried.

Mr. MOTHERWELL: No, I did not mean I was through with the whole item.

Mr. VENIOT: Hon. gentlemen opposite are not going to get the item carried by trying to shut off discussion. Let us have the discussion first and carry the item afterwards. When the hon. member for Stanstead was giving certain statistics with regard to the importation and exportation of butter, I asked him if he could furnish figures of butter production in Canada and of domestic consumption. He could not. I interjected that it was a very poor way to make comparisons when he was leaving entirely aside the amount of butter consumed in Canada, as well as the amount produced here, and confined himself to the amount imported. He also stated that the export of butter had entirely ceased in 1928 and 1929, but he referred only to our exports to the United Kingdom.

Mr. HACKETT: No.

Mr. VENIOT: The hon. member stated it had ceased.

Mr. HACKETT: I gave the exact figure. The total export in 1930 was 1,180,400 pounds.

Mr. VENIOT: To what country?

Mr. HACKETT: The total exports to all countries.

Mr. VENIOT: The total exports in 1929 amounted to 1,889,200 pounds to the following countries: Great Britain, nothing; Newfoundland, Bermuda, Bahamas, British West Indies, British Honduras, British Guiana. The exports to British Guiana and the British West Indies were increasing. Now let me take the production of butter in Canada. The New Zealand treaty came into force late in the fall of 1925. In 1927 we imported from New Zealand or other countries 11,208,809 pounds, according to the hon. member for Stanstead. In that year we produced 143,000,000 pounds. In 1928 we imported nearly 17,000,000 pounds. Notwithstanding that increase in our butter imports we produced 168,000,000 pounds in round figures, whereas the production in 1927 was 143,000,000. In 1929, notwithstanding the New Zealand treaty, and notwithstanding according to the hon. member for Stanstead, that we imported 35,000,000 in round figures from New Zealand, Australia, and other countries, we increased our production from 168,000,000 to 172,581,406 pounds, but our consumption was 230,000,000 pounds. In spite of the fact that we were increasing our production year by year we had to import 35,000,000 pounds in 1929 from Australia, we did not have enough butter to meet the demands of the Canadian people. Butter had to come from some place, and as far as the production of butter in the province of Quebec is concerned, it increased in 1928 by a small fraction. Notwithstanding the large quantity of milk and cream they were selling across the border to the states of Vermont and New Hampshire, the butter production increased. Let us go back to 1912, 1913 and 1914 and see what we find. In those three years the production of butter in Canada was so far from meeting the demands of the Canadian people that we im-

ported almost as much butter as we imported in 1928, during which year the importation amounted to nearly 17,000,000 pounds.

If the hon. gentleman had wished to be fair in his argument and in his comparisons he would have told this committee why we had to import this butter. We imported it because the Canadian people were not producing sufficient butter for their own consumption. It may be said, as it was said during the election campaign, that the farmers were not given sufficient protection, and for that reason they were not going into the dairy business. The hon. gentleman, however, in giving the figures having to do with the production of dairy products in this country, forgot to tell the committee of the enormous strides made in the last six or seven years in the dairy industry in addition to the production of butter and cheese. There has been a tremendous increase in the production of solidified cream, if I may use that term, and ice cream. There is a large butter factory in the province of New Brunswick situated within ten miles of one of the best dairying districts in the Dominion of Canada, but the farmers refused to sell their cream to that factory at from 38 to 42 cents. They can make a greater profit by sending their cream to the ice cream manufacturers. I know this to be the fact, because in 1923 when I had the honour of being premier of New Brunswick, the factory at Moncton, which is subsidized to a certain extent by the provincial government, requested the government of that province to guarantee a credit of $50,000 with the Bank of Montreal, to be used as working capital. The reason they asked that guarantee was in order to enable them to hold over the butter they had in storage on August 15, so they might get a better price later in the winter. I looked into the matter, because I wanted to satisfy myself that the business was being run properly before arranging for the guarantee of the province, and I discovered that the dairymen of the Salisbury and Petitcodiac districts were refusing to sell their cream to the factory because they were getting a better price from the manufacturers of ice cream. Under those conditions I refused to allow the guarantee of the province to be given; a credit was arranged for, but only to the extent of $35,000. I found later on, when the people could not buy butter, that there were 110,000 pounds in cold storage. The following year I refused the guarantee of the province to anyone who would keep butter in cold storage for that period of time in order to get an increased price and make the consumer pay too much for it.

These are conditions which have not been heard of, perhaps, or at least which have not been mentioned in this house. These are the conditions which existed in the dairy industry of the province of New Brunswick, and the lessened production is not the fault of this or any other government. If the dairy farmer could get a greater price for his cream by selling it to the manufacturers of ice cream, he did so. He was not to blame for that; he had a right to place his cream where he would get the better price for it.

Never before has butter been selling at the low price which is being paid to-day, and that is why I asked the minister this afternoon why he consented to let Australian butter loose on the markets of Canada, which came into this country under an agreement that it would not sell for less than 32 cents per pound. The answer given by the minister was that they had shown their good faith by keeping the first agreement; that they had a large quantity of butter in Canada, and he felt it nothing but fair that he should let them dispose of it. He did so; he let them dispose of butter which came into this country to be sold for not less than 32 cents per pound, at a time when the farmers and dairymen of Canada could not get more than 21 cents per pound for their butter, which seems to me very poor judgment indeed.

I just wanted to place these statistics before the committee. As far as I am concerned, I think the item of $5,000 now before the committee for the National Dairy Council of Canada should not pass. The council should not have that money to spend, because I am convinced that the council cannot be said to be entirely clear of politics, and its political shade certainly blends with that of hon. gentlemen opposite.

Mr. BOYES: The hon. member who has just taken his seat made reference to the National Dairy Council. I wish to make just a few remarks in defence of that council. I was present at the time the National Dairy Council was inaugurated, in the city of Ottawa, some few years ago. The idea of inaugurating this council had nothing to do with politics at all, and I feel sure that they have never taken any action for political reasons. I should like to prove this statement by referring to the manner in which the national dairy council is at present

organized. It is composed of members from one end of the Dominion to the other. The following is a list of the membership:—

Head Office:
Journal Building, 233-237 Queen Street
Ottawa, Canada

President:
F. E. M. Robinson,
Vice-Pres., Richmond Jerseys Inc.
Richmond, Que.

Vice-President:
E. T. Love,
Woodland Dairy
Edmonton, Alta.

Secretary and Treasurer:
W. F. Stephen,
Ottawa, Ontario
Telephone, Queen 6147

Members of the Council, 1931

British Columbia

British Columbia Dairymen's Association:
R. U. Hurford, Comox Creamery Co., Courtenay.
*J. W. Berry, M.L.A., Langley Prairie.
Representing Producers:
A. E. Dumvill, Sardis.

Alberta

Alberta Dairymen's Association:
*E. T. Love, Woodland Dairy, Edmonton.
Norman E. Clarke, Didsbury.
Western Ice Cream Manufacturers:
J. W. Carlyle, United Dairies, Calgary.
Western Producers:
J. R. Love, 10531 102nd street, Edmonton.

Saskatchewan

Saskatchewan Dairy Association:
Robert Barbour, Crescent Creamery Co., Ltd., Yorkton.
*P. C. Colquhoun, Maple Creek.
Western Butter Manufacturers:
O. W. Andreasen, Saskatchewan Co-operative Creameries, Regina.

Manitoba

Manitoba Dairy Association:
*J. P. Donald, Palm Dairies Ltd., Winnipeg.
G. W. Tovell, Winnipeg Milk Producers' Association, McIntyre Block, Winnipeg.
Western Milk Distributors:
J. W. Speirs, Crescent Creamery Co., Winnipeg.

Ontario

Dairymen's Association of Western Ontario:
A. E. Gracey, City Dairy, Ltd., Simcoe.
Eastern Ontario Dairymen's Association:
J. N. Truelove, Westport, Ont.
Canadian Creamery Association:
R. T. Stillman, Brant Creameries, Ltd., Brantford.
Ontario Milk Distributors' Association:
*W. H. Forster, Pure Milk Co. Ltd., Hamilton.
The Ontario Milk Producers' Association:
*J. P. Griffin, secretary, Ontario Milk Producers' Association, 21 King Street East, Toronto.
Canadian Association of Ice Cream Mfgrs:
Burness Whitmore, Wellington Produce Co., Harriston.
Condensed Milk and Powdered Milk Interests:
G. B. Levis, Canadian Milk Products, Ltd., 115 George Street, Toronto.

Quebec

Quebec Dairy Association:
Alexander Dion, Department of Agriculture, Quebec.
J. H. Crepeau, St. Camille de Wolfe.
Montreal Milk Producers' Association:
David Black, Lachute.
Montreal Milk Distributors:
*J. J. Joubert, J. J. Joubert Co., Ltd., Montreal.
C. B. Price, Elmhurst Dairy, Ltd., Montreal.
Canadian Produce Merchants' Association:
E. H. Hodgson, 745-771 William Street, Montreal.

New Brunswick

New Brunswick Dairymen United:
W. H. Huggard, Norton.

Nova Scotia

Nova Scotia Dairymens' Association:
*A. Hector Cutten, Truro.
W. R. Kinsman, Yarmouth Creamery Co., Dayton.

Prince Edward Island

Prince Edward Island Dairy Association:
W. J. Gibson, Marshfield.

Dairy Cattle Breeders

Holstein-Friesian Association:
A. E. Plant, R.R. No. 2, Brantford, Ont.
Canadian Ayrshire Breeders' Association:
Gilbert McMillan, Huntingdon, R.R. 2.
Canadian Jersey Cattle Club:
*F. E. M. Robinson, Richmond, Que.

I feel sure that when hon. members look into this matter they will realize that the members of this council were not elected for any political purpose. I can assure hon. gentlemen opposite that these men are acting in the interests of the dairymen of this country. They were not acting in a political manner when they went up against the late government. They felt sure that the government of that time was proceeding in a manner detrimental to the dairy interests, and I feel sure that they would come up against this government if it attempted to do the same thing or anything similar.

Mr. YOUNG: What did they ask for?

Mr. BOYES: I do not think there is any doubt about what they asked for.

Mr. MOTHERWELL: They did not ask for as much as they got.

An hon. MEMBER: They did not get what they asked for.

Mr. MOTHERWELL: They asked for four cents and they got eight cents.

*Members of Executive.

Mr. BOYES: The National Dairy Council is not a political organization but is acting in the interests of the dairymen of Canada, and I think those in opposition should support this vote.

Mr. ILSLEY: Mr. Chairman, I am disposed to agree with the last speaker, that we should support the vote. So far as I know the National Dairy Council is not primarily a political organization. Last year I gave some attention to and made some study of the proposal which they made to the tariff advisory board and later to the government, and I thought their request for a four cent duty was a perfectly reasonable one. However, the present government has gone much farther than that and has imposed an eight cent duty. Before I conclude my remarks I intend to ask the Minister of Agriculture to give the committee his frank opinion as to whether he thinks it possible that the imposition of an eight cent duty can do the dairying industry any good for years to come. My opinion is that it is not reasonably possible.

I was much impressed with the remarks of the hon. member for Red Deer, and I agree with him when he says that when Canada is on an export basis in regard to butter it is not possible for a protective duty to do the dairying industry any good. It is possible that under a different system of organization some good might be done, if, for instance, the government could control the entire output, as the hon. member for Red Deer says; but so long as there are hundreds of thousands of producers of butter producing and marketing their product on a competitive basis they cannot possibly be benefited by the imposition of a duty because they are bound to take the export price, as is the case at the present time.

I tried ineffectually a few times to get the floor after the hon. member for Stanstead made his somewhat impressive speech. The hon. member presented figures to the committee showing that the Dominion of Canada had between 1925 and 1930 gradually changed from an export to an import basis on butter, and the inference the committee was expected to draw from the figures—the hon. member will correct me if I am wrong—was that the fiscal policy of the preceding administration was the cause of that trend. Our effective competitor during those years was New Zealand and the duty imposed against butter coming from that country was one cent per pound. Although the hon. gentleman did not put it in so many words, he intimated that because of this low duty we had gradually drifted between the years 1925 and 1930 from being on a heavy exporting basis to an importing basis. That is the inference he expected the committee to draw from the figures he placed on Hansard. There never was a more glaring non sequitur. The effective causes which brought this change between 1925 and 1930 were not duties; it was brought about by entirely different factors. The main factor, of course, was the fact that the wheat growers of the west were prospering at wheat growing. As the hon. member for Red Deer pointed out, and as we all know, whatever part of Canada we live in, men prefer to grow wheat to milking cows if they can make as much out of wheat. Certainly they will grow wheat if they are making more at it than they could make by milking cows. So men by the thousands went out of dairying into wheat growing exclusively. That was not attributable to the fiscal policy of any administration, and it was the greatest single factor in preventing a growth in the production of dairy products in Canada.

There were other factors as well. There was the great increase in the tourist traffic into this country from the United States. The United States was enjoying a period of piping prosperity. The tourists came across the border in great numbers and consumed milk products, perhaps largely ice cream, in great quantities. I think I saw somewhere that the tourist consumption of milk and milk products amounted to about 15,000,000 pounds per annum if converted into butter.

An hon. MEMBER: In Quebec it was beer.

Mr. ILSLEY: They may have come for other purposes as well, but the consumption of milk products was incidental to the purposes for which they came. That was another factor in driving us from an export to an import basis. There were other factors as well. At one time during the period beef went to a high level and cattle that were on the border line, that might be used for dairying or for beef purposes, were used for beef. We all know that. There were still other factors, though I cannot call them to mind at the moment.

Mr. DUFF: General prosperity.

Mr. ILSLEY: Yes. This country was in a very prosperous condition and there was a great increase in consumption. There came a period during the latter part of those five years when we went on an import basis and a protective duty became effective in transferring money from the consumers to the producers of dairy products. That period was relatively brief. The National Dairy Council, the vote for which is under discussion, said it would be advisable, under all the circum-

stances, for the government to raise the duty against our effective competitor from one cent to four cents a pound, and the government did so. The present government, not content with that, not willing to take the benefit of the long experience of the very able men who were in control of the National Dairy Council, particularly Mr. Robinson, the chairman—as I should say from reading his addresses—doubled the duty and made it eight cents a pound. But never were the benefits of a duty as short-lived; they lasted only two or three months, and now they have all disappeared. Does anybody deny that they have all disappeared? Of course they have. We are back on an export basis, and the very size of the duty helped to drive us back on to an export basis more quickly than otherwise would have been the case. We are back on an export basis now just as the officials of the National Dairy Council feared we would be if too high a duty were imposed, and crash have gone the prices. As hon. gentlemen on both sides of the house must admit, prices are away down, lower than they have been for a quarter of a century.

In conclusion, I should like to ask the minister whether he does not agree with the main facts that I have tried to set out. I want to treat the matter very fairly; I am not fanatical in regard to it. I do not advocate free trade under all conditions and all circumstances, but I say that the government should have been content to stand by the four-cent duty advocated by the National Dairy Council. The eight-cent duty has done more harm than good. I want to put this to the minister: Does he not think we are going to be on an export basis for many years to come? Does he not agree that when we are on an export basis, a duty does not help the producer? Does he think his government's eight-cent duty is going to be any real good to the producers for many years to come?

Mr. WEIR (Melfort): I felt at the time the duty of eight cents was imposed—and I feel the same way now—it was advisable to impose it. The farmers of this country had so few farm products to sell that would bring in any money and there was such a quantity of butter in storage in Canada, that the higher the protection we could give them, the better, on account of the urgent condition of the farmers at that time.

There is one point in these figures that I would like to have cleared up. I understand the hon. member for Hants-Kings, who has just sat down, stated that during the first four or five months of 1930 the average price of butter in Montreal or in Canada was higher than the average price of butter in New York. I should like to know where the hon. member got that information, as one thing we have to do in our department is to obtain the most accurate information possible.

Mr. ILSLEY: I cannot give that information at the moment. I think what I stated was that I had been so informed. I put my assertion in the form of a question to the hon. member for Stanstead and he thought I was incorrect. I am quite sure I am right, but I shall get the figures between now and to-morrow afternoon.

Mr. THOMPSON (Lanark): The ex-Postmaster General, in concluding his speech, intimated that the National Dairy Council was a partisan organization and therefore he was opposed to voting them this $5,000. I should like to ask the hon. gentleman why the government of which he was a member for years voted the National Dairy Council this $5,000. I was at the organization meeting of the National Dairy Council, and for many years I represented eastern Ontario on it. It has always been at least three-quarters Grit in its composition. The Liberals on it always outweighed the Conservatives by a large number, and to-day the same situation prevails Further, when we had a delegation to interview the late Mr. Robb to remonstrate with him against making this treaty with Australia and allowing New Zealand butter to come in free, the great trouble was to accomplish anything without hurting the administration of that day. I want to say further, as I said this afternoon, that while the National Dairy Council has been composed of more Liberals than Conservatives, they have been men who have had the interests of the dairy industry at heart and have rendered Canada splendid service, and this item should pass.

Mr. DONNELLY: There has been some discussion about the price of butter in New York and Montreal during the early months of 1930. I understood the hon. member for Stanstead to say that the price of buttter in New York was higher in the early months of 1930 than it was in Montreal.

Mr. HACKETT: I made no reference to New York.

Mr. DONNELLY: I have figures here supplied by the Dominion Bureau of Statistics, giving the average monthly wholesale prices of butter in New York, Montreal and London for the year 1930. In January, butter was 41 cents in Montreal and 36.1 in New York; February, 39 cents in Montreal and 35.5 in New York; March, 37.3 in Montreal and 37.1 in New York. Each of

those months butter was higher in Montreal than it was in New York. But, Mr. Chairman, I do not think it is a fair comparison to take prices in Montreal and New York because New York supplies a large consuming population in the New England states, and the price fluctuates from time to time. The only fair comparison to make is between Montreal and London, which is the world's market, and if we compare our prices with London prices from time to time, we shall get a more accurate picture of what effect the tariff has had on our prices and what it has done to our market for butter.

I take the same months of the same year. In January, 1930, the price in Montreal was 41, and in London 38. In other words, our price was 3 cents higher. In February, the price was 39 in Montreal and 37.5 in London, a difference in our favour of 1.5 cents. In March, the price in Montreal was 37.3 and in London 35.1, a difference in our favour of 2.2 cents.

The minister takes a great deal of credit because this government put a duty on butter when they came into power. At page 2001 of Hansard he says that when the present government came into power the price in Canada was 28 to 28.25 cents, whereas the price in London was 28.64 to 29.08. I have here the July prices from the bureau of statistics, and they show that in the month of July the average price in Canada was 30.5 and in London 31.9, or 1.4 higher in London than in Canada. In August the Montreal price was 31.4, and London 32, or a difference of .6 in favour of London. The minister goes on to say in that same debate that they did away with the New Zealand treaty and the price of butter immediately shot up, thus making $2,000,000 for the farmers of Canada by keeping up the price of butter. Let us look at the prices as they were for the rest of the year. In August the Montreal price was 31.4, and London 32; September, 33.4, Montreal, and 31.9 London, or 1.5 higher in Montreal; October, 33.2 Montreal, and 32.3 London, or .9 higher in Canada; November, 33 Montreal, London 29.8, or 2.2 higher in Canada; December, 33.2 Montreal, and London 29.5. It is the same all down the list, showing a higher price in Canada for all the months varying from 1.5 to 1.9, 2.2, 2.7, 3.2, 4.5, and 5.5. Those are the differences in prices up to the end of April, showing a higher price in favour of Canadian butter in Montreal. The minister takes credit for all this because the government did away with the New Zealand treaty.

But let us take another year when the New Zealand treaty was in full effect. I go back to 1929, when we were bringing in great quantities of New Zealand butter. In January, 1929, the average difference in our price at Montreal as compared with London was 2.8 in our favour; in February we were 5.56 cents higher than the London price, and the New Zealand treaty was then in full force. In April the difference in favour of Montreal was 13 cents part of the time, and in March the difference was 8.51 in favour of Montreal. I say that that is the fair comparison to make, between London and Montreal, and the figures I have given show that there was a difference in favour of the Montreal price in 1929 when the New Zealand treaty was in full force of as much as 13 cents, and there never has been as great a difference since. That might have been the case this year, too, if the New Zealand treaty had not been done away with.

The crux of the situation is this. During the last election the Conservative party went up and down this country saying that they were going to increase the price of butter, and they have not done it. In every constituency in western Canada—I guarantee that it was done in the minister's own constituency, although he may not have made the statement himself, but his supporters campaigning for him did—the farmers were told that the price of butter was going to go up if this government came into power, and the farmers believed that. When you told the farmers that the price of butter would go up if this government was returned to power, they believed it. You cannot fool them by saying that you never said such a thing, because the farmers believed in their hearts that if this government came into power the price of butter was going to go up. But to-day the price of butter is lower than it has been in the last thirty-five years. It has never been so low as it is to-day since the time of the old Tory government in 1896. If the minister goes back to 1896, he will find that butter was then as low as it is to-day under a Tory government, but never under a Liberal government.

Mr. SMITH (Victoria-Carleton): What about 1904?

Mr. DONNELLY: The hon. member must have a better memory than I have. I say that it has not been so low since 1896. If the hon. gentleman has the figures, he can give them and make a speech after I sit down.

So far as the last election is concerned the Conservatives came to my constituency talking in the same way about butter. All I needed to do was to tell the people what

happened in the neighbouring state of Montana. We are bordering along the state of Montana, and one of our farmer's wives thought she would take some butter across the line and get that big price. She would have got 20 cents a pound in her own town, and she went across the line into Montana and got the very same price. The only advantage she got was that over there she was able to buy things a little cheaper than she could have in Canada because of our tariff. That argument about what New Zealand butter was doing did not cut any ice there, because they knew better. They were right up against it and they knew just what it meant. In western Canada to-day it is not the creamery butter, but the dairy butter that counts. Many of our farmers are so far away from the market they are not in a position to have their cream shipped to the creamery. As a result they are concerned only with dairy butter. I have a letter before me dated at Hodgeville, Saskatchewan, on May 24 of this year.

An hon. MEMBER: That is Sunday.

Mr. DONNELLY: I quote from the letter:

> I will quote you prices for that produce right here in Hodgeville. Butter per pound 12 cents; eggs per dozen 7 cents. I leave to your imagination Doctor Donnelly how any farmer can pay anything on past debts and live under these conditions. It is awful to see poor farmers bringing in their eggs and butter, all they have between them and starvation, and just about giving them away. I was in a local store here on Saturday evening when the proprietor told the farmers he could not buy any more eggs or butter, as the wholesale houses were overstocked and could not handle them. And I hope never to see such looks on human faces again as those poor people had.

That is the condition which exists out west. Many of those people voted in the belief that if the Conservative party came into power the price of butter would go up as promised.

Mr. HACKETT: I do not wish to traverse the ground over which my hon. friend has gone. I think, however, he would do well to recall the information given to us by the hon. member for Red Deer. It is true that in certain areas men milk cows only when they are forced to. That may be the case in the constituency of Willow Bunch. In the eastern townships, however, dairying is the sole source of ready money for the agricultural population. The farmers in the eastern townships are in the dairying industry and do very little else; their herds constitute their sole preoccupation. The revenue they derive from their herds is their sole source of livelihood. The remarks of the hon. member for Gloucester with regard to butter might be influenced by this information. At one time in the area to which I refer cheese was made by the farmers. Due to changes in the markets the cheese factories which were found at every cross-road disappeared; the farmers went into the manufacture of butter. I will pause at this point for a moment to say that ice cream is considered by the farmers in those counties as a negligible quantity. As a matter of fact ice cream is not entirely made of cream. I am told it is manufactured of a combination of corn starch and skimmed milk.

An hon. MEMBER: Is there any cream in it?

Mr. HACKETT: Cream enters into its manufacture to a very limited extent. While I do not wish to enter the political aspect of this discussion, I may tell the hon. member for Gloucester that his theory that large quantities of cream were diverted from butter to ice cream was propounded with great eloquence by his right hon. leader in the city of Sherbrooke before a vast audience of farmers who foregathered from seven or eight counties to hear his words. When the present leader of the opposition told those farmers that the reason of their difficulty was they had found it more profitable and less laborious to convert their product into ice cream than into butter they were not convinced by his statement. To the hon. member for Willow Bunch (Mr. Donnelly) I will say that if the price of butter has subsided here and has, as he states, been low compared with the price in other markets, one of the reasons is the vast quantities in storage. We have had great quantities stored due in part to our vast imports. We have had greater quantities in store than at any previous time. It was knowledge of these vast quantities which had to find a way out through our markets which drove the prices down.

An hon. MEMBER: Not at all.

Mr. HACKETT: As stated by the hon. member for Red Deer, when other means of revenue failed the farmers not customarily in the dairy business reverted to the irksome task of milking, and butter production in the several provinces increased rapidly. Quite by accident I happen to have before me a circular letter issued by the butter and cheese exporters of Montreal. May I add that this was not addressed to me personally. I notice that in every province of the Dominion the amount of butter produced each month this year is greater than, sometimes almost double,

the amount produced in the same period last year. That again has had a tendency to lower the price. Although I am not a farmer I am for the moment closely associated with them, and I would suggest it would be well for them to remember that at least they have now regained their own market.

Mr. DONNELLY: What is it worth to them?

Mr. HACKETT: The duty which has been imposed keeps out the butter produced in New Zealand. I cannot say the same of Australia because the Australian treaty has not yet been abrogated, although its effect is suspended. The result however is that we have been given back our market, and I doubt if we could have got it back had it not been for the imposition of the duty to which I have referred. I hoped that my hon. friend from Red Deer could have made this answer to my question. Possibly I was expecting too much from him. I think however his opinions coincide with mine, if we may judge from the information he gave the committee. To-day Canada is producing all the butter it requires and gradually is regaining a position in the export market. It is possible to ship to the export market at a lesser price than the price obtaining in the home market. Such a statement may constitute an economic heresy, but I do feel that if our farmers are given the benefit of our own market they will derive an immense benefit from the legislation which was passed last fall.

Mr. MacLEAN: Will the hon. member permit a question?

Mr. HACKET: Yes.

Mr. MacLEAN: Is the township from which the hon. member comes shipping cream and milk to the United States as previously?

Mr. HACKETT: No, not as previously. It is shipping only very small quantities.

Mr. MacLEAN: That is what I thought.

Mr. HACKETT: Some cities close to the Canadian border, in spite of the duty, take our milk rather than pay freight from more remote sections of their own country. Generally speaking however that trade has ceased and I have endeavoured to say frankly that the loss of such trade has had a decided effect upon the industry as a whole. I wish also to say that the prices I quoted were average prices. The hon. members for Provencher and Gloucester and the hon. member for Melville referred to prices on a given day in a given year. It is true those prices related to days early in January when they are supposed to be at their highest point.

[Mr. Hackett.]

Mr. VENIOT: No, I gave no prices.

Mr. HACKETT: I think if the hon. member will read over his remarks he will find he did deal with prices.

Mr. VENIOT: I gave no prices.

Mr. HACKETT: I stand corrected, then. The prices I gave were the average prices for the whole year and were furnished by the bureau of statistics. One further word. We have been debating this item during three sittings of the committee. I know it is difficult to dispose of an item which has given rise to so much political controversy without everybody having something to say about it. But do not the dairy farmers throughout the land feel that this item is one from which they may legitimately hope to receive some help and some benefit? And if that be the case will not hon. members consider the item in that light?

Mr. BERTRAND: Mr. Chairman, during the addresses made by a number of hon. members across the floor I was only too pleased to notice their eulogy of the National Dairy Council. I was also very well satisfied to hear the member for Stanstead state that the tariff had given so much help to the farming community of his county. I suppose this was along the lines of the electoral campaign during last summer. The hon. minister stated that quite a few million dollars were given to the Canadian farmers by the protection accorded them. In a letter written by Mr. F. E. M. Robinson, president of the National Dairy Council of Canada, on August 25 last to the editor of The Financial Post, there is a paragraph which illustrated the point that I desire to bring out. He says:

> In presenting our case before the tariff board last January we asked a modest duty of 4 cents a pound, or roughly 12 cents ad valorem, believing this to be the point at which the tariff should be fixed to do the industry the most good. A tariff less than 4 cents leaves us open to competition which we cannot meet under our climatic conditions. A tariff of more than this amount would cause milk now being devoted to cheesemaking to be diverted to butter. This together with the direct stimulation of primary butter production would shortly lead to the building up of an all-the-year round exportable surplus, whereupon the benefit of the tariff would be lost to the industry and we would in the meantime have still further weakened our hold on the British cheese market.

Exactly what happened here.

> In other words, the dairy industry wants 4 cents per pound protection on butter, and it does not want any more under the present conditions.

It is all very well to speak of the need of the Canadian farmer to-day and to discuss

protection of the dairy industry; we may all have our various points of view on the tariff, but it will be observed from this paragraph of Mr. Robinson's letter that although wishing for a tariff of 4 cents a pound, he states that if that protection was exceeded it would stimulate the manufacture of other milk products and consequently hurt our trade in those lines. That butter prices have fallen since is bad enough, but what is going to happen to our cheese production at present prices? In view of this I hope the minister will study the question again. I do not think he is quite positive in asserting that this tariff protection of 8 cents a pound is conferring so much benefit on the Canadian agriculturists, particularly the milk producer, especially when it is borne in mind that Mr. Robinson stated in August last exactly what is happening to-day throughout the Dominion.

Mr. WEIR (Melfort): I am glad the hon. gentleman has quoted Mr. Robinson as his authority. I also have a letter over his signature in which he claims the 8 cent tariff put into the pockets of the farmers in the neighbourhood of $7,000,000.

Mr. DUFF: Read the letter.

Mr. BERTRAND: I have read my authority. In all fairness I ask the minister to do the same.

Mr. WEIR (Melfort): This is the letter:

National Dairy Council of Canada
Richmond, P.Q.,
May 18, 1931.

Hon. H. H. Stevens,
Minister of Trade and Commerce,
Ottawa, Ont.

Dear Mr. Stevens:

You asked for a memorandum on the dairy situation with particular reference to the present low price of butter, and the benefit which accrued to the producer from the comparatively high price received for butter before the recent drop.

You will recall that the eight cent tariff against New Zealand made effective October, 1930, had the effect of raising the price level in this country to about 29 cents, because practically all our purchases of butter were from that dominion. Late in the year the special arrangement with Australia was entered into, whereby they were to sell at not less than 32 cents, pending the ratification of a new trade agreement or at least till the close of the winter or butter import season. Some firming of the world price in London brought New Zealand offerings practically in line with, or slightly above, this artificial price which was maintained within narrow limits till April. The produce trade of this country had offers of butter from Australia for delivery January to April at prices around 22 cents per pound, and this would have been the price level in this country had the special agreement with Australia not been effected.

Into the nature and merit of this agreement I will not enter for you naturally know more about it than I do, but I merely remind you that it was highly artificial and inelastic, and those connected with the industry soon concluded that this price fixing agreement would be highly effective till it broke down and that then the breakdown would be complete.

We thus had our wholesale butter market maintained all winter at a level from seven to ten cents over world parity, and most of the time at the latter figure. During the period in question about 75,000,000 pounds of butter was produced in this country. We have no accurate statistics of monthly production, but this is a composite of many estimates, and is not far from the truth. All of this production received the full benefit of the artificial price level which thus resulted in an extra return to the producers of about $7,000,000. This, of course, came from the consumers pocket direct, and the consumer in addition paid the extra ten cents on the relatively small amount of Australian butter which entered the country during the period in question.

This figure of $7,000,000 applies to butter only, and does not take account of the fact that prices of whole milk, sweet cream, ice cream, etc., could not have been maintained at the level actually paid if butter had been selling for 22 cents instead of 32 cents. The actual benefit received by dairy producers last winter in the form of extra income was therefore greater than the above figure. I could not hazard a guess at the real total, but am very sure that it was over $10,000,000.

This extra income was invaluable in helping to tide over a critical period for very many farmers, and great credit should be claimed by your government for the action which made this possible.

Let me now discuss the very abrupt fall in the price of butter which took place a few weeks ago, resulting in a fall of 10 cents per pound in as many days, and a later drop which finally took the price down to an extreme low of 19 cents per pound. A number of factors conspired to increase our own make of winter, or fodder butter. Some of these were:—

(a) The very mild winter in the west.

(b) The very low price of grain acting both by reducing the cost of raw material, and by forcing farmers to exploit every source of income other than grain selling.

(c) The direct encouragement of a relatively high price, and the assurance of protection.

(d) The diversion of milk and cream formerly shipped to the states, and now shut out by the United States tariff, and by over supply, and low prices across the line.

As a usual thing the supplies of domestic butter coming forward are not much in excess of current consumption till May. It must also be remembered that fodder butter cannot be stored as it is not of good keeping quality, and for similar reasons cannot be exported to advantage. At this time also, New Zealand was selling in London at about 23 cents per pound, which would have meant a price of 20 cents, or less, here for our butter if sold for export. During the month of April the storage stocks at Montreal only declined from 37,702 boxes to 25,933, and most of this decline was

in the first half of the month. This showed that at the end of April the current make was sufficient to take care of the consumption. We had then the following picture:—

(1) The prospect of a very large summer make.

(2) The fact that buyers realized that the market was far above world parity, and would have to reach that level before export could take place.

(3) The receipts mounted rapidly at the last, and were in excess of current requirements.

(4) No buyer was willing to allow 32 cent butter to accumulate on his hands.

When the break started buyers held off in spite of the, or rather because of the, daily declines till a level was reached at which they had confidence. This was around 19-20 cents at which level export would have been possible, even if not desirable because of the doubtful quality.

The stored stocks which as stated above amounted to nearly 26,000 boxes on May 1st suffered a loss in value of 10 cents per pound, or roughly $150,000.

I have written rather fully in the hope that a clear understanding of all the factors may remove the suspicion which exists in some quarters that the price decline was due to manipulation.

Butter is a perishable commodity, and its market will always be a highly sensitive one. The longer such a market is restrained from moving freely the more violent is the reaction.

The probable increase in production for this year is 15 per cent, or more which would make export possible if not necessary.

If the tariff against Australia (the only one now in doubt) be fixed at a high level there will be great incentive to store butter at present levels, especially if enough be sent out of the country to insure a shortage next winter.

Yours very truly,
(Sgd.) F. E. M. Robinson,
President,
National Dairy Council of Canada.

Mr. NEILL: Now may we have the letter which produced this timely treatise?

Mr. MOTHERWELL: May I ask the minister the date of that letter?

Mr. STEVENS: The remark of the hon. member for Comox-Alberni was entirely uncalled for. These facetious interjections by the hon. member are unbecoming.

Mr. NEILL: The opening words of the letter are "You have asked me for a memorandum."

Mr. STEVENS: I have the floor. The gentleman who wrote this letter is a most responsible and respected citizen of this country, and he should be free from such imputations as are contained in the remarks of the hon. member for Comox-Alberni. In his letter he says, "You have asked me for a memorandum." I certainly did so. Had I no right to ask for it?

[Mr. R. Weir.]

Mr. NEILL: And we have a right to hear it.

Mr. STEVENS: What right has the hon. member to insinuate that something has been going on behind the scenes?

Mr. NEILL: I rise to a point of order. I insinuated nothing.

Mr. STEVENS: The hon. member makes me tired with these continual interjections.

Mr. DUFF: I suppose the council will get $10,000 now, instead of $5,000.

Mr. STEVENS: At my request Mr. Robinson called upon me to discuss matters having regard to the export trade of this country. It is my duty to keep in touch with such matters. In discussing the question he made certain statements and certain observations regarding the general market conditions affecting butter. I asked him if he would be good enough to put his statements in the form of a memorandum which I might have, and he said, "I shall be very glad to do so over my own signature, and you are at liberty to use it." It has been used by the minister in a perfectly proper manner.

Mr. MOTHERWELL: What was the date of that letter?

Mr. WEIR (Melfort): May 18.

Mr. MOTHERWELL: While Mr. Robinson was perfectly at liberty to make that statement, in his address to the dairy council in Winnipeg last March he said:

At this point I wish to remind you very definitely that we took the view that a tariff of 4 cents per pound against the southern dominions, where the imported butter all came from, was about as high a tariff as the industry could obtain any permanent benefit from.

And again:

Many statements have been made and written, blaming the council for asking for any tariff at all, and others blaming us for not having asked for more than 4 cents. . . .

In July the present government took office, and in September we were asked about the butter duties, as they had been amended by the Liberal government before going out of office. We told the government that 4 cents was enough, for the reason that it was all that could be permanently advantageous.

I will not read it all; it is almost eleven o'clock, but Mr. Robinson qualifies that statement however, by saying that during a certain period, about September when butter was being rushed into Canada even under the Tory government, the 8 cents duty was of benefit. He takes the ground that the 8 cent tariff was a temporary benefit, but he follows that up by saying:

We therefore accepted the situation as it was, but we are on record, both verbally and in writing, with the Prime Minister, the Minister of Agriculture and the Minister of Trade and Commerce, that the 8 cent tariff will prove to be dangerous and unworkable in the future.

I could quote more, but I think that is almost enough.

Progress reported.

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

Friday, May 29, 1931

The house met at three o'clock.

MORRIS FINANCE CORPORATION

Mr. J. E. LAWSON (West York): On Wednesday there was laid upon the table of the house a petition praying for the passing of an act to incorporate the Morris Finance Corporation. I now beg to move:

That the petition of Gerald Murphy and others of Toronto, Ontario, praying for the passing of an act to incorporate the Morris Finance Corporation, which was presented to the house on the 27th day of May, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing order 92 in relation thereto.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 62, for the relief of Gordon Aaron.—Mr. Heaps.

Bill No. 63, for the relief of Rita Margaret Mary Longmore.—Mr. Heaps.

On Division.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

The CHAIRMAN: The committee will resume consideration of the following item:

Dairying, including grant of $5,000 to National Dairy Council, $295,000.

And the amendment thereto of Mr. Young.

Mr. POULIOT: Would the minister be kind enough to give me the information referred to yesterday afternoon about the rock bottom price reached by butter when the Australian butter was released?

Hon. ROBERT WEIR (Minister of Agriculture): The date when it was mutually agreed to release the Australian butter was April 21. The price of butter on that date was 22 cents a pound.

Mr. MACKENZIE (Vancouver): Did the Australian butter sell at the same price, 22 cents a pound, then?

Mr. WEIR (Melfort): I do not think I have under my hand any information as to what Australian butter was sold for on that date.

Mr. MACKENZIE (Vancouver): It would be interesting to know at what price the Australian butter was sold when it was released. I understand from the minister that the price cutting warfare took place in Vancouver. I should like to know the price of Australian butter in Vancouver on that date, and also the price of butter in London, England, on the same date.

Mr. WEIR (Melfort): We have no information as to what Australian butter sold at or as to the price of butter in London, England on that date.

Mr. MACKENZIE (Vancouver): Would the minister endeavour to get that information?

Mr. WEIR (Melfort): Yes.

Mr. POULIOT: What quantity of Australian butter was released on April 21?

Mr. WEIR (Melfort): All the Australian butter that was in Canada. On April 21 it was mutually agreed that the Australian butter could be released at less than 32 cents a pound. It was not all put on the market in one day; it was put on the market, I believe, over a period of days. I do not know whether it is all sold yet or not.

Mr. POULIOT: The minister does not know the quantity of butter which was released on that date? That is what I should like to know.

Mr. WEIR (Melfort): Does the hon. member mean how many pounds of Australian butter were in Canada on that date?

Mr. POULIOT: How much was released?

Mr. WEIR (Melfort): It was all released.

Mr. POULIOT: What quantity was in storage at that time?

Mr. WEIR (Melfort): Approximately 15,000 boxes.

Mr. MACKENZIE (Vancouver): How many pounds in a box?

Mr. WEIR (Melfort): Around fifty pounds.

Mr. POULIOT: Did the release apply also to butter that was coming to Vancouver and that was not in storage at that moment?

Mr. WEIR (Melfort): I do not think there was any butter coming from Australia at that time. By the way, a question came up yesterday and I promised to get information with regard to it. That information I received today from the Department of National Revenue. As regards butter imported from Australia during the month of April, the information given to me is that no butter from Australia was imported through any port of Canada during April and May of this year.

Mr. POULIOT: So what was released was only what arrived in Canada prior to that date?

Mr. WEIR (Melfort): Yes.

Mr. POULIOT: I did not hear all the speech delivered yesterday by my eloquent and genial friend, the hon. member for Stanstead (Mr. Hackett), but I read it carefully in Hansard. At page 2069 of Hansard he gave figures as to the export of butter by pounds, and said:

We were exporting twenty-five times less butter at the end of five years than when the treaty became effective.

The figures he gave covered the years from 1925 to 1930, and his statement in that regard might be accurate, but I notice, Mr. Chairman, that he gave other figures as to the imports of butter in pounds for the same years, and in 1929 the amount of butter imported was 35,928,240 pounds, and the price of butter in that year was 38·60, according to the figures which the hon. member himself gave. The amount of butter imported in 1930, according to the hon. member's own figures again, was 38,606,055 pounds, and the price dropped, according to his own figures, to 31 cents a pound. Thus the relationship between the importation in pounds, and the price per pound, was not maintained as compared with the previous year. My hon. friend the ex-Postmaster General (Mr. Veniot) intervened in the debate at a very appropriate moment with this question:

Mr. Veniot: Has the hon. member also the figures of the production and consumption in Canada?

Mr. Hackett: No.

Mr. Veniot: Then his argument falls to the ground. We produced over forty million pounds less than we were able to consume.

Some hon. Members: Why?

Mr. Hackett: I would point out to the committee that there was every reason for our production of butter to increase during that period because in those years, by reason of legislation hostile to the export of milk and cream—this is particularly true of the eastern townships, and truer still of the border counties of the eastern townships from which such large quantities of milk and cream were exported to the large centres of New England —exports were greatly curtailed.

Here are the figures of the production and consumption of butter in 1929. I have not the figures for 1930, but I would request the minister to supply them to the committee to-night if possible. The production of butter in 1929, according to a leter written by the chief of the agricultural branch of the bureau of statistics, was 174,724,465 pounds of creamery butter and 90,000,000 pounds of homemade butter; so the total production of creamery and homemade butter in 1929 was 264,724,465 pounds, and the consumption was 299,348,271 pounds. Therefore, butter consumption was that year 34,623,806 pounds more than production. That point is most important. On May 26, at page 2166 of Hansard I asked the Minister of Agriculture this question, and I must congratulate him upon his answer being in accordance with the facts:

Mr. Pouliot: So long as the production of butter in this country is less than the consumption, is it necessary, in order to supply the trade and the public in general, to import butter?

Mr. Weir (Melfort): Do I understand the hon. member's question to be this: If the production of butter in Canada is less than the consumption, should we allow the importation of butter?

Mr. Pouliot: No; is it necessary to import butter from outside?

Mr. Weir (Melfort): Yes.

There the minister himself admitted that when the consumption was in excess of production, importations had to be made in order to meet the requirements of the public. It is sad that production for any reason should fall below consumption in this country, but one reason for that has already been given, namely, the considerable increase in the tourist traffic during the last few years.

During the last campaign we were told by the Conservative speakers from almost every platform that with a high tariff on butter the price would rise considerably. I was speaking the other day of a minimum of 40 cents a pound. During the campaign the price of butter was 32 cents a pound, and the Conservative speakers said that it should be at least 40 cents a pound. They said that in order to bring butter up to that point, the leader of the Conservative party, if returned to power, would put a tariff of eight cents a pound on butter, which with the 32 cents, which was then the prevailing price, would bring butter up to 40 cents a pound. But in spite of that duty which has been

imposed on butter, the price has fallen to about 20 cents. Practically every Conservative speaker in the rural ridings concluded his speech by saying, "Now, gentlemen," and ladies also, because the ladies were interested in milking the cows, "go home and think of the price you now receive for your butter from the factories." People were reminded in every country place of the prices they were then receiving for butter and were told that when they reached their homes they should by calculation see if the Liberal government had not betrayed their interests. What has happened? The present condition is much worse. What about the betrayal? They were to change the tariff in order to adjust the price of butter but their promise proved to be a myth.

During the present debate the production of butter has received considerable attention. At this time I quote in rough figures the report of the bureau of statistics concerning butter production in Canada from the years 1922 until 1929 inclusive.

Year	Creamery production in pounds	Homemade production in pounds
1922	152,500,000	100,000,000
1923	162,834,000	100,000,000
1924	178,893,000	100,000,000
1925	179,932,000	100,000,000
1926	179,209,000	95,000,000
1927	176,978,000	95,000,000
1928	168,027,000	90,000,000
1929	174,724,000	90,000,000

Those figures also appear in the agricultural statistics for December, 1930. The production of butter remained about the same, but the difficulty arose from the increase in the consumption.

Hon. members have heard a great deal about the Australian treaty. I have in my hand an excerpt from L'Evénement of November 30, 1928. From the first page of this publication I read the following:

The Tories support Mr. Robb, in 1924

The Australian treaty seemed to be doomed when L. J. Ladner rallied a group of Conservatives.

An interesting incident.

The member for Vancouver South reveals the fact at a meeting held in the interest of D. B. Plunkett.

By-election.

(Canadian Press Service)

Vancouver, 30.—A summary of the part played by the Conservative party in the House of Commons in connection with the enactment of the Australian treaty by parliament was revealed to us last night by Mr. Leon J. Ladner, federal member for Vancouver South, at a meeting held in the interest of the Conservative candidate for the dominion by-election which was to take place on December 6.

I make this statement, he said, to counteract the false impressions left by government members and other Liberals in their speeches with reference to the stand taken by the Conservative party, in the House of Commons, in connection with this treaty. The treaty at present, in force had its inception in 1924 when a provisional understanding was concluded between the two countries.

The Conservative party held solidly together on its tariff policy. On the night of June 22, four days previous to the prorogation of parliament, the hon. Mr. J. A. Robb presented his Australian treaty. He was greatly criticized, especially by the progressive party led by Mr. Forke. The duties on raisins were the principal pretext involved in their criticism, however the treaty itself was not made a party affair. Each member was free to express his own opinion, whether he considered this measure from the viewpoint of Canada or from that of a particular province.

Just before nine o'clock, in the evening, on June 24, the news, emanating from the government benches, spread in the house that Mr Robb would withdraw the treaty and no further consideration would be given to it at that session. Four minutes later Mr. Robb moved that the committee rise and report progress, which automatically meant the killing of the treaty. Mr. Robb then left the house.

Realizing the importance of the treaty from the viewpoint of British Columbia, I followed Mr. Robb out of the chamber and met him in the lobby. I asked him the reason for such action. He frankly admitted to me that he feared an adverse vote, especially after the stand taken by the Progressives. I replied that it was not a question of party and that a number of Conservatives would support his measure. I then interviewed a number of members and further assured Mr. Robb that, if he would reintroduce his measure, the members that I had just mentioned to him, including myself, would strongly speak in its favour and support it by their votes.

On my suggestion other influential Conservatives, such as Dr. Manion (now Minister of Railways and Canals), spoke to Mr. Robb and confirmed what I had told him. Mr. Robb then assured me that he would again introduce the measure, which he did the following day. The bill was strongly supported by the Conservative party.

I have before me the Gazette, Montreal, of December 3, 1928, corroborating the article I read in French about the declaration made by Mr. L. J. Ladner, a former member from the province of British Columbia. The article is as follows:

Stevens would aid Australian trade.

I would commend this particular article to the attention of my hon. friend from Stanstead. If he is not in the house undoubtedly he will see my remarks in Hansard. The article continues:

Suggests cancellation of pact with France, if necessary, to help antipodes (by Canadian Press).

Victoria, B.C., December 1.—"The trouble with Canada and Canada's side of the Australian treaty is that the present government has never shown a friendly spirit toward Australia." The Hon. H. H. Stevens, M.P. for

Vancouver Centre, declared here last night in addressing a meeting in support of D. B. Plunkett, Conservative candidate in the approaching Victoria by-election.

Hon. Mr. Stevens went so far as to suggest the cancellation of the French treaty in order to aid Australia.

Canada imports large quantities of wine.

Are not French wines much better than Australian wines?

Let Mr. Robb give to Australia at least the same treatment accorded to France, or, better still, denounce the French treaty, which has been altogether unfavourable to us, or else enlarge the Australian treaty by giving a preference to her in wine.

At that time my hon. friend the Minister of Trade and Commerce (Mr. Stevens) who, I am pleased to say is in his seat to-day was not satisfied with the Australian treaty, not because it gave too much to Australia but because it did not give enough to Australia.

Mr. STEVENS: That is right.

Mr. POULIOT: I have another matter to bring before the committee. I find in La Presse, Montreal, on May 18, 1931, the statement that the price of butter is so low that butter is used to make soap. After reading this statement I can readily understand how easily my hon. friends to your right, Mr. Chairman, washed their hands of the responsibility for the low price of butter, which is rather easy on account of the fact that butter is used in the manufacture of soap.

What quantity of butter was in storage last year when the high duty was imposed? There was quite a large quantity. On August 1, 1930, there were 32,643,390 pounds of creamery butter in storage, and 944,539 pounds of dairy butter. On September the first, after the Prime Minister had been in power for a few weeks and had repeated that he was going to make good his policy of increasing the tariff on farm commodities, the amount of creamery butter in cold storage was 39,572,168 pounds; about 7,000,000 pounds more than the previous month. I am under the impression, Mr. Chairman, that your constituency is partly a rural constituency surrounding the beautiful city of Fredericton, and consequently you must be familiar with the prices of farm products. No doubt you recall that as soon as the tariff was put on butter the price rose 2 cents a pound—it was the same story as in regard to glass—at that time there was over 40,000,000 pounds of butter in cold storage, so that those who had hoarded that butter made an excess profit in the aggregate of $800,000. The huge sum

came out of the pockets of the people for the benefit of the owners of cold storage plants. It is a most serious condition of affairs, because the farmers were deprived of that $800,000.

An hon. MEMBER: Who paid that $800,000?

Mr. POULIOT: The consumer.

An hon. MEMBER: Certainly.

Mr. PICKEL: What was the price paid for the butter that was put into cold storage? I may tell my hon. friend that the cold storage man paid more than 32 cents a pound for that butter, so he did not make anything on the transaction; he lost.

Mr. MACKENZIE (Vancouver): How do you know?

Mr. POULIOT: I do not remember the price of butter at that time, but I do remember very well, and this may be confirmed by looking up the market quotations, that the moment the high tariff of 8 cents a pound became operative the price of cold storage butter went up 2 cents a pound. My hon. friend from Brome-Missisquoi (Mr. Pickel) will not deny the fact that not a single farmer got the slightest share of that $800,000; it all went into the pockets of the shareholders of those cold storage plants. I have been frequently told that our High Commissioner in London was interested in a dairy syndicate while he was living in this beloved country.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Order.

Mr. POULIOT: Let me go further. On referring to the Parliamentary Guide of this year, I find at page 494 that the Hon. George Stewart Henry, the present premier of Ontario, is president of the Farmers' Dairy Company, Limited, of Toronto. Toronto is not like Fredericton or Riviere du Loup, it is a bigger city, and although there are beautiful parks they have no pastures. It reminds me of something that will please my hon. friend from Marquette (Mr. Mullins); a great painter frequently expressed the opinion that no landscape could be perfect without cows appearing in it. Unfortunately in the numerous beautiful parks of the city of Toronto there are no cows, there are only policemen—and I don't know how the people could get milk from the batons of those guardians of the peace. But certain gentlemen in Toronto control a very large quantity of the butter that comes from the country. Dairy companies such as the Farmers' Dairy

Company, Limited, of Toronto, buy milk from the farmers at a poor price and when through the tariff they get any pecuniary advantage they keep the money in their pockets; the farmers see nothing of it. I think this is a shame, because the tariff was made, not to help the rich people who control the sale of milk, butter, cheese and other dairy products, but to help the farmers themselves. I remember distinctly at the special session last September the Prime Minister said that the tariff amendments he was then putting through were intended to help the producer. Well, the farmer is the producer. The man who lives in a big mansion in Toronto is not a producer; it is the poor man who lives in the country and milks his cows—he furnishes the supply of milk out of which those city magnates get richer and richer and benefit by the tariff and the producer gets no advantage from it.

Mr. ILSLEY: Last night the hon. Minister of Agriculture asked me where I got the figures I then quoted, and I told him that I would let him have the source of my authority this afternoon, that I was speaking from memory at the moment. I have in my hands a statement from the bureau of statistics, internal trade branch, from which it appears that for the first five months of 1930 the average wholesale price of creamery No. 1 butter at Montreal was 37 cents, while the average wholesale price for the same month of creamery extra at New York was 36.3 cents a pound.

Mr. WEIR (Melfort): That is the average for the five months?

Mr. ILSLEY: Yes. I can give it month by month:

Month—	Cents per pound
January, Montreal	41·0
January, New York	36·1
February, Montreal	39·0
February, New York	35·5
March, Montreal	37·3
March, New York	37·1
April, Montreal	34·9
April, New York	38·2
May, Montreal	33·1
May, New York	34·8

That was the basis of the statement I made last night to the hon. member for Stanstead (Mr. Hackett) and to the hon, minister. Its accuracy, was challenged by the former, and, as I understood, doubted at least by the minister. The point perhaps is not of very great importance, but, as I said last night I would produce my authority this afternoon, I have now done so.

Mr. WEIR (Melfort): I was not doubting the hon. gentleman's statement at all, I was just comparing it with the information we have on the average monthly wholesale jobbing prices of creamery butter for Montreal and New York. The Department of Agriculture, dairy and cold storage branch, Ottawa, gives the prices of Canadian butter for January and February higher than for the New York market, but not for the next three months.

Mr. MACKENZIE (Vancouver): I have just one observation to make. I recall very definitely and distinctly that the right hon. Prime Minister and hon. gentlemen opposite during the recent campaign guaranteed the people of Canada that the imposition of tariffs would protect the consumer as well as the producer. I also recall, sir, that during the special session, when the special legislation was brought down in this parliament, that pledge was repeated by the right hon. Prime Minister and by the members of his administration. Last night we had produced in the committee a most singular document, a very much lauded letter from the president of the National Dairy Council of Canada, the production of which seemed to move my hon. friend the Minister of Trade and Commerce to a state of frothy indignation. I desire again to place on Hansard one paragraph from that letter, which appears at page 2089 of Hansard:

> All of this production received the full benefit of the artificial price level which thus resulted in an extra return to the producers of about $7,000,000. This, of course, came from the consumer's pocket direct, and the consumer in addition paid the extra ten cents on the relatively small amount of Australian butter which entered the country during the period in question.

I wish to repeat that I am in favour of every possible assistance that can be rendered to the dairy industry throughout the Dominion of Canada, but I say that when you try to assist the producing dairy industry at the expense of the consuming Canadian public, it is a false assistance and a breach of the pledges made by hon. gentlemen opposite during the special session of parliament.

Mr. MORAND: Could the hon. gentleman tell us how we could help them without raising the price of butter?

Mr. MACKENZIE (Vancouver): That was your problem. My point is that the pledges made by the hon. gentleman, and the policies he supported during the special

session, have been falsified by the letter produced last evening by the Minister of Agriculture and lauded by the Minister of Trade and Commerce.

Mr. MORAND: Does the hon. gentleman think the people in this country would swallow any such stuff as that? Surely they must have some sense.

Mr. MYERS: Let me say that as a farmer I have listened with more than the usual amount of amusement to the debate which has been going on for about three days on the one question of whether or not we shall vote the sum of $5,000 to the National Dairy Council of Canada, so that they may carry on during the coming year the wonderful work they have done in years gone by.

Mr. MOTHERWELL: I do not think that is the issue; the whole vote is in question.

Mr. MYERS: If the ex-Minister of Agriculture will just keep quiet for a few moments, I should like to continue my remarks. I am very glad he is the ex-Minister of Agriculture. Any man whose policy during the last nine years did for the dairy industry of Canada what his policy has done might well keep quiet. For nine years the hon. member for Melville, the ex-Minister of Agriculture, was like the proverbial ostrich, with his head buried in the sand and his wrong end sticking up. That end was never meant to think with.

Mr. POULIOT: Why do you compare him with an ostrich? He has no plumage.

Mr. MYERS: I am coming to you next, and I may as well check you up right now. When this debate opened the hon. member for—Pouliot, is it, or the hon. member for Témiscouata, which sounds about the same—was the one man who seemed to have more to say about the dairy industry, and with regard to butter, cream and agriculture, than anyone else. At once I came to the conclusion that the hon. member was an honest-to-goodness farmer; he looked like one, anyway. Imagine my surprise, Mr. Chairman, when yesterday I turned up the Parliamentary Guide and found that the hon. member for Témiscouata was nothing more or less than a lawyer. Not only that, but he writes books on law, according to the Parliamentary Guide. I tried my best and racked my brain to find out where I would place him on a farm, especially a dairy farm, and after a good deal of thought and study I found a place for him; I found something on a dairy farm which the hon. gentleman resembles very much in one respect at least. I refer to the horn flies on the cows. Any farmer as well acquainted with cows and agriculture as I am, knows that about six o'clock in the evening, when you bring the cows into the barn to milk them, they are infested with swarms of horn flies. The hon. member for Témiscouata resembles them in this respect, in that the more you try to shoo them off the thicker they seem to get. The more you try to shoo him off from making a speech on something about which he knows nothing, the more speeches he makes. During this debate he has given us figures by the mile and speeches by the acre, but they have led us nowhere.

Now let me say, Mr. Chairman, that some years ago Canada enjoyed a very enviable position indeed as far as dairying was concerned. There was a time in the history of Canada when every year we were supplying the British market with creamery butter, of wonderful quality, in immense quantities. We were going along very nicely indeed, and there was nothing to interrupt our progress except the former Minister of Agriculture, the hon. member for Melville. He interrupted it very violently indeed. The government of which he was a member brought in the Australian treaty, the terms of which were extended to New Zealand, and thereby hangs a tale. That was the beginning of all our trouble. The farmers of Canada saw that a neighbouring country was getting the benefit of the Canadian market, and dairying in Canada declined to such an extent that we lost out on our export trade. We lost the footing we had already gained on the British market, and let me tell the hon. member that it is very much easier to lose trade of this kind than to build it up.

We are endeavouring to build up that export trade again. When this government came into power we saw to it that the farmers of Canada were given a fair deal as far as dairying was concerned. We shut out, to a great extent at least, the products of our competitors, and if nothing unforeseen had occurred to-day we would be getting back on our feet by degrees, building up our export trade together with our production in Canada, but what has happened? Production has come along faster than either consumption or the export trade. That was very well pointed out last evening by the hon. member for Red Deer, and let me say that I always like to hear the hon. member for Red Deer speak, because he has something sane and sensible to tell us when he does speak. Now we have turned our attention to dairying more quickly than we should have done under normal conditions by reason of the fact that

wheat prices in western Canada were extremely low. And the farmers of western Canada turned their attention to this industry too quickly. There is another thing which is to a great extent responsible for the increased production of the present time and that is the mild winter we have had throughout Canada and the exceptionally cheap feed which we have had to feed to the dairy cow.

Let me say this—and this is in connection with the dairy council, because it is a part of their work; I might as well point out right here that you cannot build up an export trade in butter, you cannot build up an export trade in any other farm commodity, unless you have the very best that you can possibly produce along these lines. We in eastern Canada have, I believe, done very well in this direction through the action and the encouragement, the knowledge and information which we have had on the part of the National Dairy Council. Through these means we have been attending to the quality and grade of our dairy products. But I find that this has not been the case in western Canada. The hon. member for Willow Bunch (Mr. Donnelly), whether we realized it or not, whether the hon. gentleman himself was aware of the fact or not, really gave us more information along this line last night than anyone else whom I, at least, have heard speak. I wish to quote just a word or two from Hansard of yesterday reporting what the hon. member for Willow Bunch said:

> In western Canada to-day it is not the creamery butter, but the dairy butter that counts. Many of our farmers are so far away from the market they are not in a position to have their cream shipped to the creamery. As a result they are concerned only with dairy butter.

Do hon. members stop to think just what that means to the section of country concerned? Let us imagine now a township or a country district. The people have round about them a number of farms,—fifty, seventy-five or a hundred. In the village they have a store or perhaps two. Heretofore these farmers have been wheat growers. They despised the look of a cow, let alone the trouble of milking it. But when their wheat business was shot to pieces, as it has been, unfortunately, during the last year—though I believe it will come back again—they immediately turned their attention to milking cows. They thought they were engaging in dairying, but they were not. For let me tell you that milking cows and making butter at home and then taking it to the village grocer is about as far removed from intelligent dairying as the sun is from the earth; and never in any way can you build up an export trade with such a line of farming as that—nor will anything destroy the domestic market more readily. What would you expect the storekeeper to say when a hundred different people, who heretofore have not been making butter at all, flock in with a hundred different samples of butter of various makes, different in grade, different in flavour and different in every other respect? What would you expect a country grocer to say to those people? What would he do with the butter? He could not eat it nor could he ship it to the towns, because it is not of uniform grade. And so far as export is concerned, it is worse than useless.

Our Minister of Agriculture has been asked for an agricultural policy. Let me say to some agricultural sections of Canada that the first thing they need to get is intelligent agriculture. Then the Minister of Agriculture will give them a policy. But a system of agriculture that puts you into wheat to-day, into butter to-morrow and into hogs the next day is a pretty hard line of agriculture for any Minister of Agriculture to keep pace with. It is pretty hard to evolve any policy that will be of any assistance to people engaged in such work.

I would say, with respect to the Minister of Agriculture, that he occupies possibly the most important portfolio after that of Finance, and at the same time one which it is hardest to administer. I have heard an old farmer down home say that he was durned if he would keep a hired man around the place except to blame things on if things went wrong. That is about the position the Minister of Agriculture occupies in relation to hon. gentlemen opposite. If it does not rain, it is his fault; if it rains too much, he is to blame. If you are short of butter, that is his fault, and if you have too much, he did not regulate things properly. That is the whole story. In eastern Canada, I believe, we are giving the Minister of Agriculture very little trouble indeed, and if he were to tell his experience I believe he would say the same; because for generations we have been following one steady policy, one line of agriculture. We are easy to deal with. When the price of butter is low, we pocket our loss, and when it is high we take our profits and say nothing about it. It is easy to handle such a situation.

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

Mr. MYERS: You may, and if I can answer it I will; if not, I will tell you so.

Mr. BEAUBIEN: Will the hon. gentleman explain why, during the last ten years, since I have been in this house, all the members from the maritime provinces have been always complaining about conditions in that part of the country?

Mr. MYERS: Were they?

Mr. BEAUBIEN: Yes.

Mr. MYERS: Well, I was not here to hear them.

Mr. BEAUBIEN: You are here as a result of those complaints.

Mr. MYERS: I can assure the hon. gentleman that we hear very few complaints in the maritime provinces.

Mr. BEAUBIEN: What about the Duncan commission?

Mr. MYERS: Well, the Duncan commission was all right. But I am not going to be sidetracked by my hon. friend. I may tell him, however, so far as the maritime provinces are concerned, that they cannot register as many complaints to the square inch as I have heard from western members this winter.

An hon. MEMBER: Some of them.

Mr. MYERS: Well, yes; there are some good fellows among them. Now, Mr. Chairman, we are here to-day not to play to the gallery nor to make long speeches. Such speeches are utterly useless to those who are looking for an improved quality of butter and better prices. What we are here for now is to decide whether we will or will not vote the sum of $5,000 for the National Dairy Council to carry on their work. In eastern Canada we regard the National Dairy Council as a very important body, and I should not for one moment have the bravery to go on any platform in that part of the dominion, whether at an agricultural or at a political meeting, or a meeting of any other kind in which farmers were concerned, and advocate doing away with the National Dairy Council.

Mr. YOUNG: Who is advocating it?

Mr. MYERS: I believe the hon. member for Weyburn himself moved a resolution to the effect that the money which will enable the council to carry on their work for the coming year be not voted. If that is not doing away with the National Dairy Council, I should like to know what it means. And let me tell the hon. member for Weyburn here and now that his resolution will make very good reading for Tory politicians when the next federal election comes round. Let us act sensibly. Let us get on with our work. Let us have done with this foolishness and pass the estimate as it has been passed every year for possibly the last twenty years. It is not different this year from what it was before. The items that the Minister of Agriculture has under his hand follow very closely the items that were voted in the house for the ex-Minister of Agriculture during the last nine years.

[Mr. Myers.]

Mr. POULIOT: I shall not say very much, but may I be permitted to read the autobiography of my hon. friend as it appears in the Canadian Parliamentary Guide?

The CHAIRMAN (Mr. Hanson, York-Sunbury): No; the hon. member would be out of order. The item under discussion is dairying. The hon. member will confine himself to this item. He has already taken up a great deal of time on this item and I would ask him to confine his remarks strictly to the item under discussion.

Mr. POULIOT: I thank you, Mr. Chairman, for your guiding decision. I shall give to the house the reasons why I am interested in the butter question, and I believe that, doing so, I shall be quite in order. The main reason why I come to the house to study these questions is that I represent many farmers. When an hon. member makes a statement in the house to a certain effect, it must be true or not; it must be exact or not; it must be accurate or not. When it is accurate, when it is exact, when it is true, the hon. member must be given credit for it, and whenever it is inexact, whenever it is untrue, then the other party must prove that it is so. Unless that is done, the truth remains in the statement that has already been made. I believe I am quite clear.

The CHAIRMAN (Mr. Hanson, York-Sunbury): So far the hon. gentleman is not in order; he has not been discussing the item before the chair, and I ask him to confine his remarks to the item under discussion or else resume his seat.

Mr. WEIR (Melfort): Before the item passes, I should like to put on record information that I promised to produce to-day. The apparent difference between the information produced by the former Minister of Agriculture and that produced by the hon. member for South Hastings (Mr. Tummon) was due to the fact that it was obtained from two different sources. There are two different organizations: one known as the agricultural branch of the bureau of statistics, and the other the dairy branch of the Department of Agriculture. Each of these issues estimates as to the production of milk

year by year, on a different basis. The discrepancy betwen the estimates became so marked about the year 1928 that the agricultural branch of the bureau of statistics revised their method of making their estimates. This revision was published in the December bulletin of 1929 and it was due to that report that the hon. member for South Hastings made the statement that the agricultural branch of the bureau of statistics had gone back over the preceding years to 1925 and increased the record of the number of pounds of milk produced during those years. I have the information under my hand, as follows:

Year	First estimate pounds	Revised estimate pounds
1924 . . .	12,318,537,907	14,386,103,567
1925 . . .	12,651,388,490	14,591,873,188
1926 . . .	13,407,340,257	14,825,821,086
1927 . . .	13,060,242,293	14,512,897,961

Mr. BOTHWELL: Is the hon. member not making a mistake in the year?

Mr. WEIR (Melfort): I hesitated about that, but that is the information I have.

Mr. BOTHWELL: I obtained the figures from the bureau of statistics, and the revised figures as they were given to me are as follows:

Year	Revised figures pounds
1925..	14,386,000,000
1926..	14,591,000,000
1927..	14,825,000,000
1928..	14,512,000,000
1929..	14,349,000,000

Mr. WEIR (Melfort): I stand corrected. The mistake is due to the manner in which the figures appear with relation to the lines on this paper, but the figures were so evidently opposite 1924 that I gave them as of that year. In the figures I gave, for 1924 it should read 1925; for 1925 it should read 1926 and so on.

The information received by the former Minister of Agriculture from the dairy branch is as follows:

Year	Pounds of milk produced in Canada
1921..	9,863,324,358
1922..	9,847,932,218
1923..	11,765,564,229
1924..	12,045,078,272
1925..	12,539,076,384
1926..	13,434,655,909
1927..	14,112,064,240
1928..	14,512,897,961
1929..	14,349,023,000

There was another piece of information that I was asked to obtain, and that was the year in which butter had reached a price as low as it is at the present time. There are no records in the department as to that, but we were able to get the information from publications that we believe to be reliable. In 1906 the price of butter was 18·25, and in 1904, 14·75.

Mr. BEAUBIEN: Are the revised figures which the minister has just given the actual figures?

Mr. WEIR (Melfort): They are just an estimate.

Mr. BEAUBIEN: But so far as an estimate can go, they are correct?

Mr. WEIR (Melfort): No one claims that they are accurate. For instance, the dairy branch gives the number of pounds of milk consumed in the country. That is only an estimate. I think perhaps the best answer I can give to the hon. gentleman's question is that the bureau of agricultural statistics have brought their estimates into line with the estimates of the dairymen.

Mr. MOTHERWELL: Are there in the minister's possession any estimates more accurate than those placed on Hansard last Tuesday and which the Minister has now confirmed.

Mr. WEIR (Melfort): No.

Mr. MOTHERWELL: They are the most accurate obtainable?

Mr. WEIR (Melfort): Yes.

Mr. MOTHERWELL: I thank my hon. friend very much. I think we shall get along more pleasantly now that we have that understanding.

Mr. BEAUBIEN: The revised figures are approximately the same or higher than the figures that I quoted last night, according to what I have been able to gather from the minister and my hon. friend from Swift Current (Mr. Bothwell). Suppose a member asks for certain figures from the dairy commissioner or from any officials of the Department of Agriculture, and some other member gets figures from the bureau of statistics, and the different sets of figures are disputed in the house. What I want to understand is whether the revised figures that have just been given by the minister are close approximations as can possibly be made.

Mr. STEVENS: May I say a word as to the figures compiled by the bureau of statistics with reference to the production of milk? It is obvious I think to all of us that there is no body of statisticians who could possibly compile precise figures as to the production of milk, when you take into consideration the hundreds of thousands of cows

in this country owned individually and by families, and so forth. The production of that class can only be estimated. But once in every ten years, when the census is taken, a fairly complete compilation can be made. The practice of statisticians is to get the official figures from business sources, like creameries, dairies and so forth, and then they compile an estimate based, first, upon their own information, and secondly, by reference to the statisticians of the provincial governments. All these figures are brought together and very carefully analyzed and compiled, and then the figures are placed before the public as the bureau's own. But it is only an estimate. When the census is taken a check is made. This autumn, for instance, when the compilation of farm statistics has been completed, the bureau will be able to estimate how nearly they come to the correct figure. I think in all fairness to the officials it ought to be said that there is no human method known whereby these figures could be accurately and completely compiled.

Mr. BEAUBIEN: I am glad to get that explanation from the Minister of Trade and Commerce. The figures that we get from the departments at Ottawa in regard to the production of milk are as accurate as we can possibly get?

Mr. STEVENS: Absolutely.

Mr. BEAUBIEN: They might not represent the exact amount of production, but they are as close as we can get?

Mr. STEVENS: Yes.

Mr. BEAUBIEN: The Minister of Agriculture said that according to the revised figures, after the system was changed, from 1925 to 1930 the annual production of milk was approximately 14,000,000,000 pounds, and the Minister of Trade and Commerce now tells me that those figures are as accurate as can possibly be got. I accept his statement. So far as the figures are concerned, we now know where we are. We know that the figures which were quoted by the hon. member for Melville to this house were as accurate as could possibly be got. We know that the figures I quoted were as accurate as could possibly be got. We know that the figures quoted by the hon. member for South Hastings were not as accurate as our figures. That has been established beyond a question of doubt by the Minister of Agriculture and the Minister of Trade and Commerce. I am glad to have that point made clear.

[Mr. Stevens.]

Mr. WEIR (Melfort): So far as I understand the figures given by the hon. member for South Hastings, they were as accurate as he could get because he was quoting from the bureau of agricultural statistics, and he quoted those statistics accurately. He may not have known of this other source of information at all.

Mr. BEAUBIEN: The minister will not deny that the hon. member for South Hastings made an accusation in this house against the former Minister of Agriculture and the preceding government, that they cooked the figures in order to make it appear to the public, just before an election, that the production of milk was higher than it actually was.

Mr. WEIR (Melfort): I did not understand that any charge was made. Will the hon. member read the charge?

Mr. STEVENS: The hon. member for South Hastings is not in his seat, and I think in fairness to him it ought to be said that his statement was this: At that time, in 1925, these officers to whom I referred a moment ago made a change in their method of compilation. I think the officers of the Department of Agriculture drew to their attention that this miscellaneous group of producers were really producing more than at the time the original form of estimate was made, and consequently they changed their method of compilation; not that there was anything wrong about it, but just to get a little nearer to an exact estimate. That was really the point which the hon. member for South Hastings desired to make.

Mr. DUFF: Will the Minister of Trade and Commerce be good enough to explain how the statistics are made up in his department? Will he not agree with me that it is rather strange that his officials and the officials of the Agriculture department on an important matter of this kind concerning agriculture should not get together and put before the public the same figures, instead of the Department of Agriculture issuing one set of figures and the Department of Trade and Commerce a different set of figures? I do not think that is right, and it ought to be corrected.

Mr. STEVENS: I quite agree in so far as that is the case.

Mr. BEAUBIEN: To clear up the point I was discussing a moment ago, may I quote to the Minister of Agriculture what the hon.

member for South Hastings said? At page 2050 of Hansard I find this:

Mr. Tummon: I made the statement that the figures were changed in the year 1929 just previous to the elections, and I am prepared to substantiate that statement.

If that is not a direct charge, it certainly implies that the former Minister of Agriculture changed the figures in 1929, just previous to the elections, to derive some party advantage from it.

Mr. WEIR (Melfort): He did not state that.

Mr. BEAUBIEN: Let me repeat his words:

I made the statement that the figures were changed in the year 1929 just previous to the elections. and I am prepared to substantiate that statement.

Mr. WEIR (Melfort): He did not say that the minister changed the system.

Mr. BEAUBIEN: Never mind the statement; the inference is just as bad as the statement. Beyond a question of a doubt, there is an insinuation. I ask hon. members why the election was mentioned; why did the hon. member for South Hastings mention the election? He has inferred that, in 1929, a few months before the election, the ex-Minister of Agriculture changed these figures. Why would he mention the election if he had not been trying to get votes by saying to the public that the production of milk was greater than it actually was. No other inference can be drawn from the remarks of the hon. member.

Mr. MOTHERWELL: And it was not the Department of Agriculture which changed the figures; it was another department.

Mr. BEAUBIEN: Further on the hon. member for South Hastings makes the following statement:

In 1929, a year before the last federal election a new method of reckoning the production of milk was instituted.

Mr. COTNAM: Well, what is the matter with that statement?

Mr. BEAUBIEN: Nothing that I know of; I think the statement is as plain as anybody could make it.

Mr. MOTHERWELL: Except that it did not refer to the Department of Agriculture; the Department of Agriculture did not make the change. As I understand the situation the Department of Trade and Commerce made it.

Mr. BEAUBIEN: My contention is that the inference from the statement is as bad as the statement itself; I do not like the impression it leaves.

Some hon. MEMBERS: Oh, oh.

Mr. BEAUBIEN: The Minister of Agriculture has admitted that the figures produced by the hon. member for Melville, the former Minister of Agriculture, are correct. He admits also that the figures I quoted are correct. If he admits these two statements he can do nothing else but say that the figures quoted by the hon. member for South Hastings were not according to the facts.

Mr. MOTHERWELL: Hear, hear.

Mr. WEIR (Melfort): Absolutely not, he was quoting from the bureau of agricultural statistics, and I believe he quoted accurately.

Mr. BEAUBIEN: I am not trying to draw a red herring across the trail, but I want to get from the minister—and he has admitted it—

Mr. WEIR (Melfort): Admitted what?

Mr. BEAUBIEN: Admitted that the figures hon. members on this side of the house quoted are correct.

Mr. WEIR (Melfort): I will also say that the figures quoted on this side of the house are correct.

Mr. BEAUBIEN: So far as the bureau of statistics can gather them they are correct. I was interested in the remarks of the hon. member for Queens (Mr. Myers). I made the statement last night and repeat it today—

Mr. RYCKMAN: Why does not the hon. member proceed further with the matter. He has read very emphatically the statement contained at page 2050 of Hansard where the hon. member for South Hastings said:

I made the statement that the figures were changed in the year 1929 just previous to the elections and I am prepared to substantiate that statement.

My hon. friends have forgotten that at page 2066 of Hansard, the hon. member for South Hastings said:

The hon. ex-Minister of Agriculture seems to think that I did not substantiate my figures. I hold in my hand the monthly bulletin of agricultural statistics for the Dominion of Canada as issued by the Dominion Bureau of Statistics, and this is the source of my information. Let me say to the hon. gentleman, if he is not aware of it, that the dairy and

cold storage branch depend on the bureau of statistics for figures of the total production of milk in Canada. I repeat, the figure based on the records of the total production of milk changed in 1929, and if he will go back over the reports he will find that to be the case.

Now, what does he say? He says, "I am not blaming him or the department of which he was the head. Not at all." Everybody heard that.

Mr. BEAUBIEN: He is not blaming whom?

Mr. RYCKMAN: Yet the inference is thrown out that the statement was made that the former Minister of Agriculture sat down and deliberately falsified figures.

Mr. YOUNG: Why did he mention the election at all?

Mr. BEAUBIEN: If the hon. Minister of National Revenue (Mr. Ryckman) wishes to read the whole of Hansard I have no objection. The Minister of Agriculture has admitted in this committee to-day, however, that the figures quoted by hon. members on this side of the house are correct. His statement is substantiated by that of the Minister of Trade and Commerce (Mr. Stevens), so that if we are right certainly we are not all wrong.

Mr. COTNAM: Yes you are.

Mr. BEAUBIEN: If we are right the hon. member for South Hastings is wrong. Even if his figures are not wrong he is wrong when he tries to infer or create the impression the former Minister of Agriculture changed the figures in 1929.

Mr. STEVENS: He did not say that; he said exactly the opposite to that.

Mr. BEAUBIEN: Yes, after he had been talked to for a long time.

Mr. STEVENS: Oh no.

Mr. BEAUBIEN: I could take the time of the committee to quote the whole of Hansard, but I do not wish to do so. I have made my point clear to the Minister of Agriculture and he has cleared the matter to my satisfaction. That is all I am concerned about.

Mr. COTNAM: Drop it then. Why waste more time.

Mr. BEAUBIEN: I know my hon. friend from North Renfrew (Mr. Cotnam) does not like to hear anything which does not suit him. May I tell him, however, that when he sat on this side of the house I never bothered him and never asked him to keep quiet. When he was speaking I considered he had a right to speak.

[Mr. Ryckman.]

Mr. COTNAM: I never wasted the time of the committee.

Mr. BEAUBIEN: May I say to the hon. member for North Renfrew and many more hon. members opposite that as members of the opposition they took more time and tried to create more false impressions throughout the country than has any hon. member on this side of the house.

The CHAIRMAN: I do not think that statement should have been made. To accuse an hon. member of making false statements or creating false impressions is not parliamentary.

Mr. BEAUBIEN: I said that they created false impressions.

The CHAIRMAN: Well, let us get on with the debate.

Mr. MACKENZIE (Vancouver): That is the inevitable conclusion to which hon. members on this side would come.

Mr. BEAUBIEN: Mr. Chairman, I am sorry you have had to call me to order; your action has made me very sad. May I say to you, sir, that there is no man who is more willing than I to cooperate in preserving the order and dignity of the committee. I made a statement last night and repeat it to-day that when hon. members on this side of the committee try to get information they meet with a scolding or a lecture either by the Prime Minister, the hon. member for Parkdale (Mr. Spence) or some other hon. member opposite. Last night we received a scolding from the hon. member for Red Deer (Mr. Speakman) and to-day from the hon. member for Queens (Mr. Myers).

Mr. CHAPLIN: How about Témiscouata?

Mr. BEAUBIEN: I am not responsible for Témiscouata.

Mr. POULIOT: Témiscouata cannot speak.

Mr. BEAUBIEN: Concerning Témiscouata, may I say that if the Minister of Railways and Canals (Mr. Manion) does not soon give him a station I shall take up a collection to build it for him.

Mr. MANION: I wish my hon. friend would hurry up.

Mr. BEAUBIEN: Mr. Chairman, we were confirmed in our figures, but when we tried to get further accurate information we received nothing but lessons and scoldings. May I say to the hon. Minister of Agriculture that if he wants—

Mr. TURNBULL: Order.

Mr. BEAUBIEN: I beg my hon. friend's pardon?

Mr. TURNBULL: I rise to a point of order. The remarks of my hon. friend have gone far afield.

Mr. BEAUBIEN: I am preparing my remarks so that I may come to the point at issue.

Mr. MOTHERWELL: What is the point of order?

Mr. DUFF: Yes, what is the point of order?

Mr. TURNBULL: The point is that we are not speaking to the item; we are off the item altogether.

Mr. DUFF: Under the estimates we have a right to discuss any item or to bring up any matter with reference thereto. I submit the point taken by the hon. member for Regina is not well taken.

An hon. MEMBER: We are on the amendment.

Mr. TURNBULL: We are not on the amendment; we are on both the amendment and the resolution.

Mr. BEAUBIEN: I think my hon. friend from Regina should study the rules; if he did he would not raise so many points of order.

Mr. TURNBULL: Is it not a fact that that the accuracy of either of these sets of figures depends upon whether the bases upon which the figures are compiled are or are not correct? Both these bases concern estimates with regard to which no one has any accurate knowledge.

Mr. BEAUBIEN: I am concerned only with the answer I received from the Minister of Agriculture to the effect that the figures I quoted last night were correct, and also that the figures quoted by the hon. member for Melville (Mr. Motherwell) were correct. I would like to ask a question of the Minister of Agriculture concerning the National Dairy Council, in the following words: Is he aware that during the campaign of last summer when a farmer took his cream to a creamery and complained that his cheque was so small he was handed a paper which to my mind had a great resemblance to the propaganda which was franked out of this house last session and sent to every man throughout the country who produced a pound of milk or butter? If this statement to the effect that the government of that day was responsible for the low price of butter was not handed to him he was told so verbally. Now, does the minister think it is right or proper that we should vote a grant to any organization which, it seems to me, is simply a political organization working on behalf of my hon. friends opposite.

Mr. WEIR (Melfort): Is the hon. member stating it was the National Dairy Council that circulated the literature?

Mr. BEAUBIEN: All that literature was got out by the National Dairy Council or their agents, the creameries that are members of the council. I do not think that we should vote money to an organization that will use the money in order to carry on propaganda for any political party. They have done that in my district and in all other districts.

Mr. MULLINS: If I may interject, that is not a fact. My hon. friend is at one end of Manitoba and I am at the other. It never occurred in my district. Does the hon. member mean to say that the T. Eaton Company would send out political propaganda? They are not that type of people.

Mr. BEAUBIEN: May I suggest that one of the friends of the hon. member for Marquette (Mr. Mullins) raise a point of order on the remark that he has just made. I repeat, is it right or proper that we should vote money to a political organization that is using its funds for political purposes, whether it be for one party or for both parties?

Mr. GOBEIL: You will have to prove that it was a political organization.

Mr. BEAUBIEN: I am saying that the propaganda was political.

Mr. GOBEIL: You have to prove that.

Mr. BEAUBIEN: It is very easy to prove it if my hon. friend will open his eyes.

Mr. GOBEIL: Prove it now.

Mr. BEAUBIEN: Has the minister made any investigation to find out whether it is a monopoly of the creameries or some other organization which is depressing the price of butter in Canada at the present time? My hon. friend from Témiscouata (Mr. Pouliot) mentioned the cold storage plants that made money when the increased tariff on butter came into force. When the hon. member for Compton (Mr. Gobeil) was speaking on his bill to increase the penalty for adulteration he stated that there was a monopoly in Montreal in regard to butter, and that that monopoly was really hurting the farmers.

Mr. GOBEIL: I did not say so in speaking on my bill.

Mr. BEAUBIEN: When speaking in the house anyway. May I ask the minister if he has made any investigation to find out whether there is any organization in Canada depressing the price of butter?

Mr. MYERS: I may have got a wrong impression of the hon. gentleman's remarks, but did he state that at any time during last summer when a farmer got his settlement cheque from the butter or cheese factory it was accompanied by a pamphlet signed by the officials of the National Dairy Council?

Mr. BEAUBIEN: No, no.

Mr. MYERS: Then I am wrong. I took it that that was what he was saying.

Mr. BEAUBIEN: No. I said this propaganda was handed to the farmers, and that I am fairly convinced in my own mind that the National Dairy Council was behind it.

Mr. MYERS: Being convinced in your own mind is a different proposition altogether from being able to prove that the National Dairy Council was behind the propaganda.

Mr. BEAUBIEN: I am as clear in my mind as is my hon. friend at any time.

Mr. MYERS: Perhaps so, and perhaps not; that is a matter of opinion.

Mr. BOTHWELL: Yesterday when this item was under discussion there seemed to be a difference of opinion as to the production of butter and other milk products in Canada in recent years, and some of the figures then quoted would lead one to believe that our production had considerably fallen off. Owing to this difference of opinion yesterday I have since taken occasion to get certain figures from the bureau of statistics, which I think might be of sufficient interest to put on Hansard. The minister quoted figures of milk production in Canada from 1922, I think, up to 1929. In the report of the annual meeting of the National Dairy Council of Canada there appear on page 10 figures of the increased consumption of certain dairy products in Canada as between 1921 and 1928; for butter the figures are 25.79 pounds in 1921 and 29.31 in 1928. I thought it might be well to get figures from 1925 up to the present time to show the per capita domestic consumption of various dairy products, and these figures will explain to a large extent the difference between the importations of butter and other dairy products in 1925 and in 1930. These are the figures given me by the bureau of statistics:

Butter

Year	Pounds
1925	27·36
1926	28·44
1927	28·72
1928	29·06
1929	29·95

Figures for 1930 are not available.

Cheese

Year	Pounds
1925	3·13
1926	4·04
1927	3·38
1928	3·63
1929	3·55

The domestic consumption of milk, that is, other than milk used for the making of either dairy or creamery butter, home made or factory cheese and other miscellaneous factory products, what I might term the home consumption of milk itself, was in round figures as follows:

Milk

Year	Pounds
1925	5,844,000,000
1926	6,036,000,000
1927	6,620,000,000
1928	6,552,000,000
1929	6,647,000,000

The growing consumption of ice cream in Canada is shown by the following figures:

Ice Cream

Year	Gallons
1925	·63
1926	·73
1927	·78
1928	·88
1929	·99

We all realize, as explained by the Minister of Trade and Commerce, that the bureau of statistics endeavours to get its figures as nearly correct as possible. But if these figures are approximately correct, it shows that between 1925 and 1929 there has been an increased consumption in Canada of milk and its products to a tremendous extent. If you figure that out, it amounts to quite a number of millions of pounds. That will account largely for the increased importation into this country, and while some may say there is very little cream used in ice cream, I understand from the Department of Agriculture that ice cream manufacturers are compelled to have at least ten per cent of butter fat in their products, so no matter what other components enter into that article, there will be at least ten per cent of butter fat.

Mr. YOUNG: I will not take much of the time of the committee, but I should like to correct a statement made by the hon. member for Queens (Mr. Myers) a few moments ago. He said I was aiming to destroy the National Dairy Council. I have no such desire. The National Dairy Council, in my opinion, has as much right to exist as any other legitimate organization. This morning I received a letter from the secretary of that organization stating that they are not and never will be in politics. That may be a matter of opinion. We all know that for some years past the National Dairy Council have been carrying on a national propaganda for the purpose of influencing the fiscal policy of this country. We know that because of that propaganda a great many farmers in this country were induced to change their votes at the last election, and we know that one of the reasons why the government has changed and why the fiscal policy of this country has changed in the last year was the activities of the National Dairy Council.

I say they have a right to do that. The National Dairy Council has as much right to hold political views and to propagate those views as any other organization, providing they do it with their own money. I have no objection to their doing it, but I say any organization that undertakes to influence the fiscal policy of this country to assist one party or another in politics has no right to come to the federal treasury seeking a grant. They have a right to do it at their own expense, and the National Dairy Council has no more right to ask this government to finance it in its campaign than the Canadian Manufacturers' Association or the Consumers' League, or any other organization which seeks to influence the fiscal policy of this country.

Mr. PORTEOUS: The National Dairy Council was not distributing propaganda intended for the good of anyone but the dairy farmers of this country.

Mr. YOUNG: It is propaganda, just the same.

Mr. PORTEOUS: Propaganda was distributed and advertised all over Canada by Liberals and Conservatives alike in the creamery business.

Mr. YOUNG: At their own expense.

Mr. PORTEOUS: One of the staunchest Liberals in Owen Sound, operating a creamery business there, advertised during the campaign that due to the enormous importations of New Zealand butter, cream prices were lower. You cannot blame that on the National Dairy Council.

Mr. VALLANCE: Does the name of that firm appear in the estimates as asking for any assistance to carry on that propaganda?

Mr. PORTEOUS: I am not saying the name appears in the estimates, but I say the National Dairy Council were working for no other interests than those of the dairymen of this country. Throughout Canada the creameries were advertising that due to the enormous importations of New Zealand butter the price of cream was down.

Mr. MacLEAN: Will the hon. gentleman tell us what excuse they give the dairymen now, when the price is so much lower than it ever has been?

Mr. PORTEOUS: We are not talking about that now.

Mr. MacLEAN: The hon. gentleman has no answer. The Conservatives started this propaganda and won the election on it and now, when we tell them they fooled the people, they try to hide behind a smoke screen and will not come out into the open and confess they fooled the people on that occasion.

Last night hon. gentlemen opposite were putting figures on record to show that from the eastern townships of Quebec large quantities of fresh milk and cream had been shipped to the United States. Then they went on to show how these exports decreased in 1928 and 1929, and endeavoured to leave the impression with the committee that because of the importations of New Zealand butter the production of milk and fresh cream was falling off. My good friend the ex-Postmaster General came along and disproved that theory; he put figures on record to show that milk production had increased every year. The fact is that in the province of Quebec, and especially in the eastern townships, the dairymen were shipping their products to the United States. They all admit it. They were stopped from shipping their products to that country, not by the New Zealand treaty and not by any action of the Liberal government, but by an increase in the American tariff. That increase became effective first in 1928, when the falling off of exports started. The tariff put into effect at that time did not altogether prohibit Canadian milk and cream from entering that country, but later on, in 1929, the

duty was increased to 60 cents per gallon on fresh cream and milk, which made it absolutely impossible to export milk and cream from Canada to the United States. The result was that the farmers of Stanstead and other constituencies along the border were thrown on their own resources and found themselves in an awkward position.

The hon. member said the policy of the Liberal government had closed the cheese factories in that constituency. That is not the case. These dairymen were shipping their cream to the United States, and as a result they did not need cheese factories, so the factories closed of their own volition. For a number of years they remained closed, and they were practically out of commission when our products were shut out of the United States market. Then what did our good Conservative friends do? They turned around and said, "Your factories are closed; you are shut out of the United States market, and look what the King government has done to the dairy industry through the New Zealand treaty." The farmers of those constituencies believed that story, and voted Conservative. That is the reason why we have some hon. members opposite representing those constituencies to-day. That could not be attributed to the importations of butter from New Zealand; it was due altogether to the United States tariff against our exports of fresh milk and cream.

That disposes of the theory which my hon. friend from Stanstead advanced last night. Then another hon. gentleman said that our cattle population had fallen off, and he stated this was due to the Liberal policy. I want to say that the moment the American tariff went up and American farmers and dairymen saw prospects of our milk and cream being shut out, they came to Canada and began to buy up some of our stock. It was the best thing in the world for the dairymen of this Dominion that they were able to sell their cattle to those American farmers at that time at a good price. Since this government came into power a cow is not worth milking, and if our farmers had not been able to ship these cattle to the United States, at a good price, they would have had them on their hands to-day and would have received no benefit from them. Another point brought up by the ex-Minister of Agriculture was that the tuberculin test took a very heavy toll of the cattle all over this dominion.

Some hon. members have suggested that immediately the farmers saw something looming up which promised a profit, they switched to dairying over night. No reasonable or intelligent person will accept that theory. You cannot switch to dairying over night. If dairying is coming back, and if to-day we are producing more butter than we need in Canada, that improvement must have been in progress for the last three or four years. You cannot produce over night a dairy herd from which you can obtain milk that will give cream and butter of exportable quality. Such a herd must be built up over a number of years. And the reason we are producing milk to-day and exporting butter to the United Kingdom is that during the last few years of Liberal regime, under the capable Minister of Agriculture who was in office in that period, the dairy herds of Canada were steadily built up. The result is that to-day we are producing all the butter we need for our own uses and are also in a position to export a surplus to the United Kingdom.

The serious feature of this policy which our hon. friends opposite have introduced is this: it is a double-edged sword; it cuts both ways. Our friends have stated that they were going to build up the dairy industry of Canada and put our dairy farmers on easy street, and the moment the people took them at their word and accepted that policy, the government and the manufacturers association had the dairy farmers in their hands. They were able to squeeze them like a sponge, because they said to the dairy farmers, "You cannot expect a policy of protection for your dairy products and at the same time refuse protection for manufactured articles".

Now, the moment this 8 cents a pound duty is imposed on New Zealand butter we find that our export trade with that country drops off by almost one-half. This morning I obtained from the bureau of statistics the figures for the last three years, from April 1, 1928, to April 30, 1931. Under our agreement with New Zealand, our trade with that country progressed by leaps and bounds. In April of the fiscal year 1928-29 our exports to New Zealand amounted to $704,871, and at the end of March of that same year they had increased to $2,182,788.

Mr. PORTEOUS: I wish to ask the hon. gentleman a question. Is he or is he not in favour of the New Zealand and Australian trade agreements?

Mr. MacLEAN: It is for the hon. gentleman to draw his own conclusions from my remarks. The treaty built up a wonderful trade between this country and New Zealand, and I am sure that the manufacturers of Canada must have appreciated that fact. The automobile business made rapid strides, as hon. members know. But everyone knew that

the imposition of that 8 cent duty would not help Canadian farmers. Perhaps the hon. gentleman who asked me that question will answer one which I will put to him: Of what benefit has that duty of 8 cents been to the dairymen of Canada?

Mr. PORTEOUS: Statements were made during the election campaign—I do not wish to refer to this, but the hon. member brought it up—that when we got into power the price of butter would be higher than the price that then prevailed; and it would be to-day if we were not producing so much butter.

Mr. MacLEAN: I have my hon. friend where I want him. He admits that they did promise the people of the country that they would increase the price of butter.

Mr. PORTEOUS: I did not. I said that what we said was that the price of butter, if we were returned to power, would be higher than the price would be under Liberal administration.

Mr. MacLEAN: The hon. member's party said it would, and now they are in power I would ask the hon. gentleman that question again: Is the price higher now than when they were making those speeches?

Mr. PORTEOUS: That is a different question.

Mr. MacLEAN: Oh, it is a different question; I knew the hon. gentleman would not like to answer that question, because we find that the price of butter is 10 cents lower than it was then. Now let me go on with the figures I was quoting. In the year 1929-30 our exports to New Zealand had increased to the sum of $19,166,488, and that most gratifying state of affairs prevailed until last October. In the month of October of the fiscal year 1930-31 our exports amounted to $1,340,998; that was for the month of October alone. But what happened the moment the duty was put on butter? Immediately upon the imposition of the duty on New Zealand butter our exports to New Zealand fell off, for in the month of November of last year —the very next month after we had shipped over $1,340,000—we find that our exports amounted to just $846,728. In other words, there was a loss of almost $1,000,000 per month to the export trade of this country, while there was absolutely no corresponding benefit to Canadian dairymen. And I will defy any hon. gentleman opposite to stand up in this house at this moment and declare that that 8 cents per pound duty is of any benefit to our dairy farmers to-day. I will give them a chance and will take my seat till they reply. I do not see any hon. gentleman get up to contradict me, and I will proceed. So that you have proof there that our policy was right and that of hon gentlemen opposite wrong. The fact is that our export business to New Zealand has been very nearly wiped out. In April, 1929-30, we exported to that country produce to the value of $1,105,220, while in April of 1931-32 our exports amounted to only $355,756—that is, for that month alone. That represent a loss of almost $1,000,000 a month.

Mr. SHAVER: What government was it that cancelled the agreement with New Zealand?

Mr. MacLEAN: It was not the cancellation of the agreement but the imposition of the duty that had the effect of wiping out that business. It was during the short session that the 8 cents duty was put on, and the moment this was done New Zealand retaliated by discontinuing all trade with us except such as they were bound to carry on.

Mr. MOTHERWELL: The minister overlooked the figures from the statistical branch with respect to the years 1922 and 1923. While he is hunting up those figures I wish to make a few remarks with reference to the speech of the hon. member for Queens. I would not for the world say an angry word to anyone coming from Prince Edward Island, for it is such a delightful part of Canada; but I am bound to say that the hon. gentleman made some foolish and nonsensical remarks in the light of what the minister has stated. The minister has admitted that my figures were correct and that milk production increased 45 per cent during the Liberal administration. The hon. gentleman has therefore no ground whatever for the assertion that the industry was in the deplorable condition which he suggested when we left office. If our hon. friends opposite can show as good a record they will have nothing to be ashamed of.

I want to congratulate the minister on his good temper and endurance. I recall myself the first time I faced the crucifixion of defending estimates. It was in Regina, and on the opposite side we had such critics as Judge Brown, Mr. Justice Haultain, Senator Gillis—who may be in the gallery now, and who therefore can testify to the accuracy of what I am about to say—Dr. Elliott, Joe Wiley, and a number of others. I had then to stand the gaff.

I cannot help having some sympathy for my hon. friend and I will tell him now—of course I do not want to have it all sympathy

—that this afternoon we deliberately avoided anything like pressing him. I told our whip that I thought we should not press the Minister of Agriculture until he was given an opportunity of his own accord to supply the figures and information we wanted yesterday. This worked. In the meantime an hon. member on this side sent a hurry-up call asking whether I was going to let this item pass without getting the milk production figures. I said: Just bide-a-wee and dinna wearie; I think we are going to get the information. So I congratulate my hon. friend upon having given it to us. I do not want to say anything about having won out or anything like that. When an hon. member throws up his hands, I am not going to press the advantage. But if our hon. friends across the way are sincerely going to back up the statements we made and they confirmed, they will refrain from this vilification about what the former ministry was said to have done in regard to the alleged emasculation of the dairy industry in Canada during the Liberal regime. If this is raised again throughout the country, we shall be here on the spot to unsheath our swords again to vindicate the record of the Liberal government during the last nine years. This is not a threat or anything like one. Just so long as they are good, we shall be good. Those are the conditions with respect to the closing of this three-day incident. When I was minister in Regina I made many mistakes; I fought rings all around me when my estimates were on. My hon. friend did have more sense than to do that. In 1905 in Regina no member of the legislature had been in the house before except the Speaker. We soon found out that we did not get through our estimates by fighting the opposition or withholding information.

To my hon. friends on this side I have an even more painful duty to perform, because I find several hon. members on this side still think the National Dairy Council is a political organization. The National Dairy Council asked simply that the old duty on butter of 4 cents per pound be restored, and Mr. Dunning restored it. What have they got against the National Dairy Council when they asked simply that the original duty be restored and Mr. Dunning restored it and introduced it in his budget? We fought the election on it. It came too late, though, and was grossly misrepresented by our opponents. But we should not blame the National Dairy Council for that.

I think we should be quite candid with each other and be fair to all parties. I know the National Dairy Council. The first time I ever raised my voice in this house was on the question of oleomargarine, which is quite a proper subject to discuss under this appropriation. I got a really good spanking from my own side that night and I felt it too. But the National Dairy Council got into the fight. Without it we would not have won, and even at that it took us two years to abolish this abomination, this unfair competition with the dairymen of Canada, a product that is now being fought by the dairy industry in the United States. I refer to oleomargarine. Therefore I shall never forget the good work of the National Dairy Council from that date to this, and all their boards of directors, none of which had a more capable head than the present one, Mr. Robinson, an exceptionally efficient gentleman. The hon. member for Provencher (Mr. Beaubien), who was so successful in casting his net for ministerial information the other night and helping to vindicate the accuracy of the figures I gave, is the last man against whom I should wish to differ on the merits or demerits of the National Dairy Council; nevertheless my duty compels me to point this out. May I say first I felt just as the hon. member for Provencher did last summer during the election, when every newspaper advertisement, every radio message was full of all kinds of butter accusations. Oh, we do not forget them! This is one advertisement taken from the Grain Growers' Guide. It is a notice to farmers from the Brandon Creamery and Supply Company, and I interpreted it as coming from some unfriendly source or another. I did not know where it was coming from until I had read it the second or third time. It reads:

This notice to farmers from the Brandon creamery, June 2, 1930, tells its own story of conditions.

This would go out with the cheques.

Dear Sir or Madam: On the first of May, stocks of butter on hand in Canada were three and one-quarter times greater than same date one year ago, and it is estimated that over 30,000,000 pounds of New Zealand butter had been purchased to arrive before the additional duty takes effect on October 12 next. Last year, from the first of June till the end of December, only 15,000,000 pounds of New Zealand butter was brought into Canada, so it is quite apparent that New Zealand has already settled our butter prices for this year and for some months of next . . . .

In view of the above conditions it is necessary to reduce cream prices—

That is a very effective kind of campaigning. There is no doubt about that.

In view of the above conditions it is necessary to reduce cream prices, which are as follows: Table, 27 cents; Special, 25 cents.

Those prices look pretty good to-day, and yet that is what they were yowling about then.

Mr. BEAUBIEN: Is that signed by the National Dairy Council?

Mr. MOTHERWELL: No; this is the Brandon Creamery and Supply Company. There is no connection between the National Dairy Council and this company. When I saw those going out with the cream cheques, I was looking around everywhere for the villain in the play. They were coming to my house and I did not feel very kindly towards anybody so treating a patron, because during that summer we were having one irritation piled on top of another—the hot weather, cut-worms, rust, and other provocations. I do not know any body of men that are doing more faithful and effective service for the dairy industry or any other industry than the National Dairy Council, and I say that without reservation, knowing all the facts from its inception down to the present day. There is no body of directors more capable, more energetic, regardless of what political party is hurt, than that of the National Dairy Council. I know my hon. friends here will not care for this, but like the hon. member for Labelle, I am getting old enough now to have the right to speak a little for myself. I am free now for the first time, I may say, in twenty-seven years. What is the use of being in opposition if you cannot have a little freedom of speech? I am going to take the ground now that if the minister cares in the supplementary estimates to put this grant to the National Dairy Council on a parity with that of the Canadian Horticultural Council, I shall be glad to give it my support. The position taken by a number of hon. gentlemen is that the question that has been before the chair for the last few days is whether we shall vote this sum of $5,000 for the National Dairy Council or not. That is not the question; the question before the chair is the whole appropriation of $295,000. The hon. member for Queens suggested that the way in which we were blocking this vote would make nice campaign reading for the Tories. If so, I shall risk it.

The hon. member for Red Deer was supersensitive yesterday about the bear garden event. Apparently we had to have the bear garden in order that the drawing room which we are now enjoying might follow. You have to have the storm before you can have the calm, the calm which we are now enjoying. But the bear garden was all right in its place, and later on we can stage a couple more if necessary, but I hope it will not be necessary. There was a kind of bear garden yesterday, and while I do not like them, if they are necessary, all right, let them come. I feel sorry that I have to differ from three or four of my colleagues on this side, but it is the privilege of us all to differ with each other in details. After a man has been corked up for twenty-five years it is a delightful sensation to be able to speak freely. If the Minister of Trade and Commerce does not know what it is to be corked up, nobody does except the Prime Minister, and he is uncorked all the time. I think we might shake hands across the aisle, just as the pugilists do before they start another round.

Mr. STEVENS: Might I suggest to my hon. friend, now that he is in such a genial mood, that this amendment might be withdrawn and we might pass the item.

Mr. MOTHERWELL: No. We are just clearing the decks for action. We could not get down to work until this was out of the way. We could not have this good fellowship until the matter was squared up.

Mr. STEVENS: I thought my hon. friend favoured the vote.

Mr. MOTHERWELL: Yes, and I will support it when the proper time comes. I am not in favour of the amendment.

Mr. STEVENS: That is what I suggested, that my hon. friend might possibly have it withdrawn.

Mr. MOTHERWELL: I should like to continue if I may, because I have been very quiet all afternoon. Has the Minister of Agriculture the figures for 1922 and 1923 that were asked for?

Mr. WEIR (Melfort): I think I have given them already but I shall do so again: In 1922, 9,847,932,218; 1923, 11,765,534,229.

Mr. MOTHERWELL: I surely shall not be accused of any immodesty when I point out that it was not the agricultural statistics that had to be changed at all. I was aware of the difference between the two sets of figures ever since I came down here, and on many occasions I spoke to my then deputy about it and took the ground, as he did, that some reconciliation should be made between the two sets of figures by the respective departments, Agriculture and Trade and Commerce, instead of having two even slightly conflicting sets going out to the country. There was not very much difference between them, but the difference that did exist just gave the opportunity to such hon. gentlemen as the hon. member for South Hastings to get up and say what he did

and possibly keep within the truth, because he did not say it was the Department of Agriculture that did it; he simply said that it was done. I may say quite frankly that I did not know that the matter had been adjusted. It was done in 1929, at which time it looked to me as if I might then kick off altogether, but the good Lord apparently thought I had some service in life yet to perform and so I am permitted to continue for a while longer.

With regard to these milk production figures, they correspond with the ones that I gave three or four days ago, and as the minister has intimated, they are as correct as any figures can possibly be; they are just as correct as any other figures the minister knows of, and the Minister of Trade and Commerce acquiesces in that. I want to congratulate the Department of Trade and Commerce. I do not know of any better statistical branch in the world than the one headed by Doctor Coats. So we will all kind of lick thumbs on that point. There is no use in all this talk if we do not get somewhere by way of suggestions for betterment. Perhaps I cannot do better than repeat what I said on the 5th of May. I took the ground then, and I take it now, that our dairymen are absolutely up against it producing cheese and butter in these small factories throughout Canada at the present ruinous prices. The minister himself has pointed out the advantage of larger manufacturing units. He pointed to the men in Saskatchewan who started larger units there, and perhaps unintentionally he paid a compliment to the first government in that province. They have one of these larger units in Regina, one in Saskatoon, one in my hon. friend's own constituency, possibly two, and the people there all know the advantages of these larger units. I know it too, because for ten years the Saskatchewan government operated a cooperative creamery which came under my personal observation, and although all my life I have been a farmer I have been incidentally an overseer of such a creamery, and in that way I happen to have a knowledge of the business which has been most invaluable to me all through my life. We all know theoretically that volume means a lower cost of production, but when you learn it in actual experience you know it in an altogether different way. Our dairymen are to-day at a great disadvantage in having the small manufacturing units for butter and cheese. Speaking on the 5th of May on the advantage of having a system of standardized creameries and dual purpose factories for butter and cheese, I said:

> Our opponents, rivals, competitors, all over the world for the last twenty-five years have been gradually developing and enlarging the manufacturing units of their dairy products and increasing the production of the production unit, the cow, increasing the flow of her milk and increasing the size of the dairy buildings until they are eight or ten times as large as they were fifty or sixty years ago when dairy and cheese factories were started in Ontario. That has been going on for twenty-five years in the United States, New Zealand, Denmark and Russia. Our present dairy commissioner was the chief resident factor and adviser in starting up the present dairy industry in New Zealand. Doctor Ruddick knows all about these plants, and of what advantage it is to have a large production in each one, which tends not only to quality and cheapness of production but to uniformity of product, which is so acceptable on the markets of any country. In our own country, through the effluxion of time, the old junk factories, which were all right at the beginning, are disappearing, and better ones are taking their place; but if we leave it to the process of evolution I am afraid it will take us about a hundred years before we can compete successfully in dairy products with our competitors throughout the world. We can compete now, yes, but it is a competition that leaves our dairyman skinned right down to the heels; there is nothing left for him at all, with cheese at nine cents and butter at twenty and twenty-two cents a pound. They need government help; and let the government take action now. The thought I have in mind now is what I had in mind when I was minister and when $25,000 was put in the estimates of 1930 for a live stock inquiry; and it looks even better now than it did then, because this government is committed as no previous government ever was to putting the whole weight and power of this dominion behind agriculture, as was promised at the last election.

This is the time to strike. The only thing the minister had to say in reply was that this was not the time to make a move in that direction. May I be excused for differing? I believe that this surely is the very time to make the move. There is an old saying that we should strike when the iron is hot, and I think the iron is pretty hot now all over Canada with respect to the dairy industry, and now would be a splended time to strike. The government I know can only go as far as public opinion will permit, and I believe that the public would be wholly behind the government in taking any move along the line I suggested. I went on to say:

> My good friend the Minister of Agriculture can ask for almost anything from this government for agriculture, and if he secures it I can assure him that he will have a solid phalanx of this side of the house behind him too. It is said that we sometimes play politics, but in view of the present distressing conditions in the west, the member of parliament who plays politics alone will not last very long. They want us to be big enough to stand up and help the government in anything that will be of benefit to agriculture, even though we oppose the general policies of the government.

We do strongly oppose the general policies of this government. Nevertheless, if we are going to do anything for dairying this is the only medium through which we can do it, for the next four years, I was going to say, but if the government keep on the way they are going they will not last four years, and I feel sure you agree with that yourself, Mr. Chairman. To my mind the action of the government in the last two or three days will not add to its term of office. However I am not yet ready for another election; I may say I had a hard enough racket to gain re-election during the last campaign. I want to get on my pins before we have another one. Undoubtedly we are all a little selfish in matters of the time for elections to parliament. On a former occasion I pointed out what the Hon. Martin Burrell had done in connection with operating the large Finch creamery. It was carried on long before my hon. friend the minister and myself were in Ottawa in our present capacities. In 1912 the Hon. Martin Burrell established a large creamery at Finch, Ontario. The operations were so successful in lessening the cost of production that it became inconvenient to continue operations further because the farmers for miles around wanted to be customers. We could not take care of the cream, and milk supplied by all of them. When we got all the information required the creamery was sold at cost price and no deficit resulted so far as the government was concerned. The information concerning the operations of that creamery is available.

Then, further, Doctor Ruddick is well aware of the system in New Zealand; and some of us know something about the system in Denmark. My hon. friend the minister has a competent staff around him who are able best to develop the services under his charge. I shall not at this time go further into the matter of a new enlarged system of creameries because I did so on a former occasion. On that glorious night when he scored such a great victory the minister lived up to my predictions that if he was only let off the leash he would make good, and he did make good. His success was attained at a fearful cost to himself, however, but the fact remains that for the occasion he made good. His action was that of a man who risks everything on one shot and afterwards loses everything.

I have before me the report of the president's address at the annual meeting of the National Dairy Council of Canada. I quoted from this address last night just as the clock was striking eleven. I know my hon. friend the Minister of Trade and Commerce thought he would close—

Mr. STEVENS: Oh, no.

Mr. MOTHERWELL: My hon. friend had a pretty good stunt in mind, and I congratulate him. Just at the last minute he pushed up to the front line with his letter from Mr. Robinson—it was well done; I know the game.

Mr. STEVENS: My hon. friend is too suspicious.

Mr. MOTHERWELL: I know the game. I was suspicious enough to keep a good trump card in reserve for just such a stunt as that of my hon. friend. May I say that the report I now have before me is most timely. I like that sort of action. Hon. members know that I do not indulge in gambling or drinking whisky—

Mr. STEVENS: Not much.

Mr. MOTHERWELL: But the matching of wits is my delight. I like to match brains with the best or the worst on the other side of the house. If I happen to be the weaker, let the better man and the better cause win.

Mr. STEVENS: That is what happens.

Mr. MOTHERWELL: May I say that hon. members will have to speak out louder. I miss a great many remarks I certainly should like to hear. For example, I did not hear the question asked by the hon. member for North Renfrew (Mr. Cotnam). I thought when he spoke he was just following up the remarks of the hon. member for South Hastings (Mr. Tummon). I thought he was just talking through his hat, and I answered in an improper fashion, considering the very decent nature of the question he had asked. I believe I asked him, quite politely of course, if he would kindly close his face. If the hon. member is not in the house I wish some other hon. members would convey to him the fact that I wish I had not made that statement. I have always been friendly with the hon. member for North Renfrew. Possibly the hon. gentleman who asked the question was not the hon. member for North Renfrew because there were so many shouting at that time that hearing was difficult. I would ask whoever asked the question, however, not to heed my answer; I regret having made it. I am sorry also I did not hear the question because I would have been delighted to have replied to it. I learned afterwards I had been asked about the Australian treaty, and had I known that at the time I should have been pleased to answer.

In the address before me I find that Mr. Robinson referred to a national dairy policy. Hon. members must know that at the present time it is quite popular to talk about vague policies, but Mr. Robinson's was apparently a reality, though not yet available. We hear of policies which are floating around in newspapers, published here and there. However, we have not had any agricultural policies delivered by the minister in this parliament, the greatest forum of the nation and the proper place in which to discuss them. I find in the document before me there is reference to a national dairy policy for Canada. This policy appears in an agenda published in Winnipeg in the month of March, 1931, by the National Dairy Council. My hon. friends are in favour of the National Dairy Council, hands and feet, and I am with them in that regard. I do not wish anybody to think I am joining forces with the Tories. I regret having to join with them even on this occasion, but duty prompts me. I told my constituents that the only way to get anything worth while was to get it through the government. No matter what the result may be that is the action I am going to take. Hon. members cannot afford to refuse anything worth while for the relief of agriculture, even if it be suggested and given by the present government. To my mind the best plan of action in the meantime would be to put up with the government and get all we can from it for distressed agriculture. Mr. Robinson is quoted as follows:

The Hon. Robert Weir is aware of all these things.

Having read that statement I believe I should have begun reading further back. However I shall continue from this point.

He believes as I do that we must have planned production of goods to sell from the farms of this country.

That is the statement of Mr. Robinson, whose opinion carries great weight with most hon. members, with the possible exception of two or three hon. members on this side. The address continues:

In dairying he believed it to be of prime necessity that we first fully supply our own home market.

That has been done. In that belief he is right.

Knowing that many unusual difficulties must be faced by the dairy industry, he asked a few of us to prepare an outline of what we thought should be done.

In that sentence Mr. Robinson refers to the Hon. Robert Weir, the present minister. With that statement I am in accord.

[Mr. Motherwell.]

The address continues:

Knowing that many unusual difficulties must be faced by the dairy industry, he asked a few of us to prepare an outline of what we thought should be done. It was my privilege to join with Dean Barton of Macdonald College and Doctor Archibald of the Dominion Experimental Farms, in the preparation of this report to the Minister of Agriculture. It was our hope that the report would at least provide a larger conference with something to shoot at, and it is the minister's wish that the National Dairy Council discuss it fully at this meeting.

May I say that Dean Barton is a capital man. Had I had occasion to hunt for another live stock commissioner I would have approached him. However I never had to do so. He is a very efficient man, and I believe I have already expressed an opinion in regard to Doctor Archibald and Mr. Robinson. They are the trio who have been asked by the minister to make a report on dairying at the present time and to suggest a remedy for present conditions. The report continues:

It was our hope that the report would at least provide a larger conference with something to shoot at, and it is the minister's wish that the National Dairy Council discuss it fully at this meeting, and that modified or enlarged as you may see fit, it then go to him as a recommendation from the council.

I am sorry the dairy commissioner was not included with the other men I have mentioned. My only comment would be that I think Doctor Ruddick would have been a great help. However I concede to my hon. friend the right to pick his own advisers. Probably Doctor Ruddick will be called in at a later time. The report referred to has not yet been presented. Then the address continues:

The report will be presented to you in due course and I hope that you will see in the action of the minister how great an opportunity and responsibility is ours.

In that connection Mr. Robinson refers to the council. I do not expect that the report will be changed because of what I have said, but I shall feel highly flattered if it contains some of my proposals. I do not know whether the minister is ready to present the report, but undoubtedly all hon. members will be greatly interested when it is presented. I do not wish to press the minister because I know the difficulty he will experience when he attempts to get money for its establishment, financial conditions are very hard just now, and I know what the minister's colleagues and his leader will say if there are any more drains on the treasury. But what did they promise? They promised to put the whole weight and power of the Dominion of Canada

behind agriculture. Here is a great opportunity for the minister. The other day a bill was introduced to provide $750,000 annually for technical education. Is technical education any more important than the dairy industry? I wonder how many hon. gentlemen ever got up at half past four in the morning to milk cows.

Mr. ROSS: I have.

Mr. MOTHERWELL: Then the hon. member ought to be sympathetic. But he did not do so when cheese was at 8 cents a pound; that is lower than the price when he was a boy. Well, there will now be a little bond of friendship between the two of us. Dairying is a very arduous branch of agriculture, as everybody knows, I think. It is weakening right now at the knees, it is being hard-pressed, although it is the only source from which there is any available money just now. Wheat has gone up the flue for a while, and I do not know how long it will stay up there, but every old cow that can be milked at all, her udder has to be stripped so as to secure the very last squirt of milk in order that we may scrape along.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: I am not joking. We farmer members know that. It is what we are living on to-day. The only trouble is that we have not enough of those life saving cows. I have heard it said that the Prime Minister has no heart; or if he has, he has not been able to diagnose the ills of the west, and therefore cannot prescribe a remedy. My hon. friend is a western man. We are proud to know that the ministers of agriculture are coming from the west, whether from the far west or from the middle west. The present minister knows conditions, he knows what dairying is. Would it be so very difficult for him to put up a scrap for the same grant that technical education got? It would not take that much for the first year. Suppose only $100,000 was put in the supplementaries to have an inquiry. I asked for only $25,000 last year. Quadruple that and see if something cannot be done. The minister has a very good committee here. I think that that is not an unreasonable request, and I say with all sincerity that this is the time to strike. There is not a man in this house who would dare to object to a policy to be enunciated for the purpose of rehabilitating our dairy industry and establishing a standardized system of combined creameries and dairies, especially in the two older provinces of Ontario and Quebec as a start-up. With that will go the two packing plants that were suggested. If ever I spoke a sincere word in my life I am speaking it now. It is not usual for the opposition to advocate a policy so transparently necessary that scarcely any government could resist it, and then give them the opportunity to run away with it. I do not care if you run from here to you-know-where with it, so long as we get a rejuvenated dairy industry. I am willing to give credit for it to the Hon. Martin Burrell who preceded me, or to any of my other predecessors, so long as something is done to revivify agriculture, especially on the prairies.

Some unkind things have been said about the prairies. Yes, we are making quite a noise. You will never get anything in this world without you do make a certain amount of noise; but we have not got much out there yet this session. What we have got you could pretty well put in your eye and not interfere with your vision. But it will come, and it has to come from this government. Could not the minister take advantage of the opportunity, and come out with a flourish as the great emancipator of agriculture in the west—instead of blaming me for weeds that grew thirteen years ago when I was not there. What was done at that time at Waterhen lake was done by the Tory government that preceded us. Oh, the need must have been great for my hon. friend to seek to blame me, and I am sure he regrets it now. How much better would this proposition be than that which he advocated in his recent speech—a speech which reechoed throughout Canada as a victorious vindication of the minister for twenty-three minutes, and then collapsed. Maybe I am saying these things unkindly, but I do not mean them unkindly; it is just my way of expressing myself. I am willing that my hon. friend should have the credit for these proposals when they are worked out through the National Dairy Council. Will not my hon. friend tell us about this National Dairy Council report and how far he has advanced with the committee, consisting of the three gentlemen referred to—Messrs. Robinson, Archibald and Barton?

Mr. DONNELLY: The other day I asked the Minister of Agriculture concerning our butter, and he said at that time that we were nearly on an export basis. He also said that the export of our butter was interfered with to a great extent by lack of uniformity of grade, which was due to the fact that our creameries were not of sufficient size to enable

our butter to be uniformly graded. I asked him at that time what was being done in order that butter might be exported more efficiently, and he said our inspectors were trying to get the creameries to turn out a more and more uniform grade. Now, I propose to quote from this report which has been referred to by the ex-minister, the report of the annual meeting of the National Dairy Council of Canada. I find on page 2 that the president said:

I have given notice that at this meeting the chief item on the agenda will be a national dairy policy for Canada.

I ask hon. members to pay attention to those words, "a national dairy policy for Canada." He continued:

Gentlemen, our task to-day is that we must come to a vital and united decision as to whether we intend to export some or all of the various dairy products produced here. If we want to export them they must be produced in steady and dependable supply of high and uniform quality, and above all at prices low enough to enable us to compete with other countries.

In other words, he says that we are assembled here to-day at this convention in order to work out a policy; we are on an export basis for butter, or soon will be; we must have a steady supply of uniform quality, and it is up to us and the government to work out such a policy. Now, what has the government done toward working out a policy along that line? Are they doing anything in order that we may have a steady supply of butter of uniform quality? Are they doing anything in order to reduce the cost of producing butter? These small creameries, we have been told, produce butter at a high cost, and, as has just been pointed out, we should have larger units. What are the government doing to increase the size of these creameries?

Some hon. MEMBERS: Question.

Mr. DONNELLY: I should like the minister to give us the answer, if he can.

The CHAIRMAN (Mr. Hanson): Shall the amendment carry?

Mr. DONNELLY: I want the minister to tell me, if he knows, what their policy is. Have they done anything to decrease the cost of producing butter in our creameries, or are they doing anything to get a uniform supply for export? This is the policy advocated by the National Dairy Council which hon. gentlemen opposite have lauded to the skies; they say this is what should be done, and we are asking the minister what has been done in that direction. I think that is a proper question. We have not been on an export basis for years; the minister says we are coming to an export basis or that we are on that basis, and I want to know what we are doing in order to reduce the cost of production and to get a uniform supply. I think that is a legitimate question and we should have a statement of the policy of the government in that respect. Has the minister nothing whatever to say? Have the government no policy? Have they not decided on anything or do they think everything is perfectly satisfactory as it is?

The CHAIRMAN (Mr. Hanson, York-Sunbury): Shall the amendment carry?

Mr. SANDERSON: I should like to ask the minister a question, to get back to the National Dairy Council. Would be explain to the committee just how that body functions? What do they do? In what way do they assist, if they do assist, the dairy industry of this country? And when I say "industry" I mean the whole industry. Would the minister also tell the committee if the different creameries throughout the Dominion belong to this National Dairy Council? Is it a cooperative company, or what kind of body is it? I think the committee would like to get this information from the minister.

Some hon. MEMBERS: Question.

Mr. SANDERSON: Hon. members should not be so impatient.

Some hon. MEMBERS: Question.

Mr. SANDERSON: I am asking the minister for information.

Mr. WEIR (Melfort): My memorandum in this connection is as follows:

This organization is composed of thirty-three representative men, elected by dairy organizations in every province in Canada, and from every branch of the dairy industry—from the producer to the exporter.

This immediately reveals the scope of an organization, whose one object is to further the welfare of a business with an investment of over fifty million dollars (exclusive of dairy farms) having an annual revenue in 1929 of approximately $295,000,000.

This council is ever on the alert to assist the dairy business in any advancement or emergency.

Here are some of the matters undertaken by the council and carried through to some degree of completion:

1. Succeeded in getting oleomargarine outlawed;
2. Got dairy products exempt from sales tax;
3. Got the 20 per cent express rate increase on cream disallowed;
4. Secured standardization of ice cream;
5. Cream cheques exempted from stamp tax;

6. Obtained an equalization of freight rates on butter and cheese.
7. Prevented increased rates for carrying milk;
8. Caused a modification of the United States Milk Import Act;
9. Secured an early lifting of the United States embargo—1927;
10. Officers went to Washington on tariff and other matters;
11. Petitioned government to increase tariff on butter to 4 cents a pound;
12. Made case before tariff board for four cent tariff increase on butter;
13. Prepared standard milk regulations;
14. Favoured a temporary increase in tariff and the "pegging" of butter last fall, to tide the dairy industry over a critical period. This brought an increase of about $10,000,000 to the dairy farmers of Canada last winter;
15. Advocates pasteurization of milk for human consumption as a health measure;
16. Continually gives publicity to the food value of milk, butter, cheese and ice cream, through over 5,000 schools, 700 public health nurses (who get our publicity material free), addresses, articles in the press, radio talks, exhibits at fairs, leaflets and posters, etc. By these means we have contact with millions of homes every year;
17. The council's office has become a real "Service Bureau" to the dairy industry, and through its numerous activities has brought many thousands of dollars yearly to the dairy farmers of Canada.

That is what they claim to have done.

Mr. SANDERSON: I thank the minister for the information. Now would he tell the committee, if he has the information, if the different creameries throughout the country are connected in any way with this dairy council. Are they members of it?

Mr. WEIR (Melfort): They elect representatives, I understand, as they are members of dairy associations.

Mr. SANDERSON: There is another matter I want to bring to the attention of the minister, in connection with the whole dairy industry. Apparently there is a move to consolidate into a very few hands, and under the control of wealthy interests, the dairy industry of this country. For instance, companies financed by large capitalists in Toronto, Montreal, Winnipeg and Vancouver are slowly but surely gathering the creameries together under their wings. Is the minister aware of that fact? Is he watching that situation in the interests not only of the consumer but also of the producer of milk? It appears to me that if this organization, which is now stretching out all over this country, gets control of the dairy industry, it will be very disastrous for most of the people of Canada, except those who have stock in the company. If it is not stopped, or if there is not some legislation to prevent it from going on, of which we have heard nothing—and we have heard a good deal about the milking of the cow in the last two or three days—it will mean that all the farmer will do will be to milk the cow, and this company or these companies—because I understand they are more or less affiliated—will milk the farmer first and then milk the consumer.

If there is anything that should be safeguarded by legislation from a monopoly, or from getting under the control of a few, it is the great dairy industry of Canada. To my mind this is a very serious matter. Farmers in this country are having a hard struggle, not only in the dairy branch of their business but in every other branch. This matter of getting control of the dairy business is a vital one and should be discussed in parliament. Some move should be made to head it off. Is the minister aware of the fact that one or two large companies are endeavouring to get control of that business, and to a certain extent have succeeded in doing so?

Mr. WEIR (Melfort): No, I am not aware of that.

Mr. HAY: Mr. Chairman—

Mr. SANDERSON: I am not finished yet; I just sat down so that the minister could answer the question if he desired to do so.

Some hon. MEMBERS: He answered.

Mr. SANDERSON: Then it is up to you, Mr. Chairman, to say whether or not I have the floor. I will go on if you say so; if not I will sit down.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. member had sat down, and to be strictly in order, discussion should alternate.

Mr. SANDERSON: If that is your ruling, Mr. Chairman—

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. member for Springfield has the floor.

Mr. McMILLAN (Huron): I rise to a point of order. It is within the knowledge of every hon. member present, as well as of the chairman, that the hon. member for South Perth simply sat down in order to receive a reply from the Minister of Agriculture. He has the floor, and surely the rules of this house will support him.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I rule that the hon. member for Springfield has the floor.

Mr. VALLANCE: Yesterday I was not allowed to speak when I found myself in a situation similar to that of the hon. member for Springfield. I was told that the hon. gentleman opposite had not sat down. In this case the hon. member for South Perth sat down merely to allow the minister to answer a question, and I maintain that he still has the floor.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I have given my ruling; the hon. member can appeal if he wishes to do so.

Mr. HAY: It is not my intention to make a speech on the item before the committee; I would rather make a suggestion.

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

After Recess

The house resumed at eight o'clock.

VANCOUVER—SECOND NARROWS BRIDGE

Mr. DURANLEAU: With the consent of the house I move that we revert to motions in order to allow me to lay a report on the table.

Motion agreed to.

Mr. DURANLEAU: I desire to lay on the table of the house the report of the commission appointed to inquire into the matter of the second narrows bridge, Burrard inlet, British Columbia.

PRIVATE BILLS

ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

The house in committee on Bill No. 48, respecting the Algoma Central and Hudson Bay Railway Company—Mr. Simpson (Algoma)—Mr. MacDonald (Cape Breton) in the chair.

On section 1—scheme of arrangement and schedule confirmed.

Mr. SIMPSON (Algoma): There is rather a long preamble attached to this bill, and possibly a short explanation would facilitate its passing. The purpose of the bill is to confirm a certain "scheme of arrangement" that has been agreed to between the Algoma Central and Hudson Bay Railway Company, the Algoma Central Terminals Limited, the bondholders of both these companies and the Lake Superior Corporation which guarantees the bonds. It is, in short, a reorganization of the financial structure of these companies. The companies are part of the industrial institutions that were established by Mr. F. H. Clergue some years ago at Sault Ste. Marie. The Lake Superior Corporation is not an operating company; it might be termed a holding company. The Algoma Central and Hudson Bay Railway Company, the Algoma Central Terminals Limited and the Algoma Steel Corporation, the subsidiary companies, are the operating companies.

The railway has been built for a distance of some 296 miles north from Sault Ste. Marie, with a branch running from a place called Hawk junction to Michipicoten harbour. It taps the main line of the Canadian Pacific at Franz, the Canadian National, formerly the Canadian Northern, at a place called Oba, and the Grand Trunk Pacific at Hearst, and it really forms the only means whereby the Canadian National can connect with the industries at Sault Ste. Marie.

For the purpose of raising money for the construction of the railway, it was necessary to issue first mortgage bonds. These bonds were guaranteed by the parent company, the Lake Superior Corporation, and the purpose in mind in the construction of the railway was not only to freight pulpwood down to the pulp and paper mill which was at that time a subsidiary of this company known as the Lake Superior Pulp and Paper Company and now owned by the Abitibi people, but to move iron ore from the then Helen mine to the blast furnaces to be constructed at Sault Ste. Marie. Unfortunately the railway was not able to earn sufficient money to pay the interest on the bonds. Much of the pulpwood was of course floated down by water, and the old Helen mine, from which they mined merchantable ore, petered out, with the result that in 1916 the Algoma Central and Hudson Bay Railway passed into the hands of a receiver. At that time an arrangement was arrived at, satisfactory to the Lake Superior Corporation and to the shareholders and bondholders of the railway company, whereby the road was returned to the original owners and an act of this parliament was passed approving the arrangement then made. It was thought that the prospects for the future were better. It was known there were large deposits of low grade iron ore, and it was hoped they would be able to treat this ore and use it in their blast furnaces. This would have provided considerable traffic for the railway. The Algoma Steel Corporation spent some $2,500,000 in erecting a plant at what was known as the Magpie mine for treating or beneficiating this low

grade ore. They proved that this ore could be successfully treated and made fit for blast furnace use, but the methods then known for treating this ore were not as advanced as they are to-day.

An hon. MEMBER: Was it magnetite or hematite?

Mr. SIMPSON (Algoma): It was magnetite ore they were treating at that time. They have hematite, magnetite and siderite. But the cost of the treatment of the ore was such that they were not able to treat it and lay it down at the blast furnaces as cheaply as they could purchase iron ore elsewhere. The result has been that the railway company has not been able so far to earn sufficient money to pay more than the operating expenses and a very small amount on the interest on the bonds. By the way, since 1916 the railway companies have paid out about $15,000,000 in wages. It is realized that the only hope lies in the successful operation of the steel industry at Sault Ste. Marie. Consequently they agreed to enter into an arrangement whereby the Lake Superior Corporation would be relieved of their guarantee of the bonds, which would enable them to go on to the market and more successfully finance the extensions to the steel industry which are absolutely necessary in order to enable that industry more successfully to meet the demands for steel in the Dominion of Canada. This arrangement has been approved by the bondholders, by the shareholders of the Algoma Central and Hudson Bay Railway Company, the Algoma Central Terminals Limited and the shareholders of the Lake Superior Corporation. It is practically a family affair, to which all the members have given their assent, and all these industries being situated in the province of Ontario approval has been given by a bill passed by the legislature of that province at its recent session. The bill before us, as hon. members will observe has also been considered and passed by the upper chamber of this parliament.

Mr. HEENAN: Has the bill been approved by the private bills committee?

Mr. SIMPSON (Algoma): It has been before the railway committee of this house and has been passed by that committee without amendment. I might add that during the last thirty years these industries located at Sault Ste. Marie have been the mainstay of Sault Ste. Marie and the immediately surrounding sections, with a population of about 35,000 people. They are particularly interested in seeing this bill go through so that the company will have the opportunity of setting up this new financial structure and be able to extend its operations as they have found it necessary to do in order to meet the demands of to-day.

Mr. NEILL: Did I understand my hon. friend to say that all the various companies concerned have been consulted and have more or less unanimously voted their approval? There is no minority interest objecting?

Mr. SIMPSON (Algoma): There is no one objecting at all. The shareholders of the parent company, the Lake Superior Corporation, have given their approval by turning in their shares. Perhaps I should have explained in my earlier remarks that the parent company, the Lake Superior Corporation, was originally incorporated under the laws of the state of New Jersey. Under the proposed arrangement a new holding company is to be set up to be known as the Algoma Consolidated Corporation Limited, a Canadian company. The American trustees have been changed to Canadian trustees, and the shareholders of the former company have to the extent of over 90 per cent given their approval by turning in their shares to be exchanged for shares in this new holding company. The question may be asked, what about the remaining ten per cent? Some of this stock was held in the old land and in other parts of Europe, and as no dividends have been paid on the stock since it was first issued over thirty years ago, it is possible that some of these shares have been misplaced or lost. I doubt if there are very many members of this house who, holding stock on which they have received no dividends for a period of fifteen or twenty years, have been very much interested in taking care of the certificates. That is the explanation.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

Bill reported, read the third time and passed.

VOHWINKEL DIVORCE BILL

Mr. A. U. G. BURY (East Edmonton, for Mr. Bell, St. Antoine) moved the second reading of Bill No. 65, for the relief of Carl Vohwinkel.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I understand that in this particular case there was considerable divergence of opinion in the Senate committee, that the evidence was by no means

conclusive, and that the opinion of the committee was not unanimous. It seems to me under these circumstances the special attention of the committee on private bills should be called to this particular case, and it should not be passed over in a perfunctory manner. I shall not object to the second reading if it is understood that when the bill reaches the committee it will definitely be considered.

Motion agreed to and bill read the second time.

GUTTMAN DIVORCE BILL

Mr. G. W. McPHEE (Yorkton, for Mr. Factor) moved the second reading of Bill No. 71, for the relief of Lillian Freedman Guttman.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): This bill is in a position similar to Bill No. 65. The evidence is neither as clear nor as conclusive as in other cases. I would ask that it be given special review by the private bills committee before it is passed on to the house for further consideration.

Motion agreed to and bill read the second time.

SECOND READINGS

Bill No. 50, respecting The Canadian Woodmen of the World.—Mr. Fraser (Northumberland).

Bill No. 51, to incorporate Acme Assurance Company.—Mr. Lawson.

Bill No. 54, for the relief of Agnes Sarah Evelyn Ballard McNaught.—Mr. McKenzie (Assiniboia).

Bill No. 55, for the relief of Dorothy Helen Marie Debnam Almon.—Mr. Jacobs.

Bill No. 56, for the relief of Rosa Maud Thomson Checketts.—Mr. Bell (St. Antoine).

Bill No. 57, for the relief of Mary Ellen Margeret Montague Burrows.—Mr. Lawson.

Bill No. 58, for the relief of Olive Hamley Fraser Mann.—Mr. Willis.

Bill No. 59, for the relief of Eleanor Fritz Lawson.—Mr. Bell (St. Antoine).

Bill No. 61, for the relief of Ellen Jane Easton Graham.—Mr. Bell (St. Antoine).

Bill No. 64, for the relief of Joseph Norman Berger.—Mr. Bell (St. Antoine).

Bill No. 66, for the relief of Joan Marguerite Loggie.—Mr. Geary.

Bill No. 67, for the relief of Alice Boyne Ostiguy.—Mr. Bell (St. Antoine).

Bill No. 69, for the relief of Eileen Sybil Wolfe.—Mr. Factor.

Bill No. 70, for the relief of Helen Borland Beattie MacNicol.—Mr. Bell (St. Antoine).

On division:

[Mr. Woodsworth.]

GRAIN INSURANCE AND GUARANTEE COMPANY

CONCURRENCE IN SENATE AMENDMENT

Mr. W. W. KENNEDY (Winnipeg South Centre) moved the second reading of and concurrence in an amendment made by the senate to Bill No. 13, respecting Grain Insurance and Guarantee Company.

Motion agreed to; amendment read the second time and concurred in.

ANCIENT ORDER OF FORESTERS

CONCURRENCE IN SENATE AMENDMENT

Mr. WILLIAM DUFF (Antigonish-Guysborough, for Mr. Chevrier) moved the second reading of and concurrence in an amendment made by the Senate to Bill No. 27, respecting The Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.

Motion agreed to; amendment read the second time and concurred in.

ARMISTICE DAY ACT

CONCURRENCE IN SENATE AMENDMENT

Mr. A. W. NEILL (Comox-Alberni) moved the second reading of and concurrence in an amendment made by the Senate to Bill No. 8, to amend the Armistice Day Act.

He said: Mr. Speaker, the amendment proposed by the Senate is a comparatively unimportant one. It consists in deleting the word "legal" before the word "holiday," so that the sentence now reads: "shall be a holiday." I find that this is in accordance with the interpretation act to be found in the revised statutes, as the definition of the word "holiday" found there covers Sundays, New Year's day and other holidays. Therefore the amendment is perfectly in order.

Motion agreed to; amendment read the second time and concurred in.

REPRESENTATION ACT AMENDMENT

REPRESENTATION FOR ELECTORS RESIDENT IN THE DISTRICT OF PATRICIA

The house resumed from Friday, May 8, consideration of the motion of Mr. Heenan for the second reading of Bill No. 2 to amend the Representation Act and the proposed amendment thereto of Mr. Stevens.

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, in speaking to the amendment moved on behalf of the government by the hon. Minister of Trade and Commerce (Mr. Stevens), I think it well

first to read the explanatory note to this bill:

The purpose of this amendment is to provide representation for electors resident in the district of Patricia north of the electoral district of Kenora-Rainy River.

In view of the fact that this bill is for the purpose of enfranchising about six hundred people, it comes as a surprise to me that the government has introduced this amendment to deprive them of their franchise. Therefore I think it would be well for me briefly to review the history of this territory to show whether or not the government of the day are taking this position designedly. At the last redistribution in 1924 the territory was not included in any electoral district. Consequently in 1925 the residents had no opportunity of voting. Then came another election in 1926. This time our friends being in power, and having control of the election machinery, sent enumerators into that territory. We found that they had got in there by aeroplane and other methods, and were promising the people that a poll would be established if they signified their willingness to vote for the Conservative candidate.

Mr. MANION: Is my hon. friend speaking from the dominion or the provincial standpoint?

Mr. HEENAN: The dominion. In 1926 this district was not incorporated in any electoral riding. We sent detectives in there and they found that enumerators—

Mr. MANION: Before my hon. friend leaves that point, I should like him to give some evidence in support of his bald statement. We know nothing of the kind, and as a matter of fact I do not believe it happened.

Mr. HEENAN: I know the Minister of Railways does not, but I will give him the evidence and then he may believe it. In 1926 we found enumerators appointed by the Conservative government were in that district promising the people that a poll would be established on condition that they promised to vote "right." The evidence is that a poll was establshed, and when the chief electoral officer found what was going on he cancelled the poll. I wonder if that is evidence enough for my hon. friend.

Mr. STEVENS: That is not evidence at all. That is just gossip on the hon. gentleman's part.

Mr. HEENAN: It is not gossip at all.

Mr. STEVENS: There is not a particle of evidence in support of what my hon. friend says.

Mr. HEENAN: There is evidence on the files that the chief electoral officer cancelled the poll.

Mr. MANION: The chief electoral officer establishes the polls, not the government. If a mistake was made, it was made by the chief electoral officer.

Mr. HEENAN: Then again in 1929 the provincial government of Ontario, realizing that it was only fair to give those people an opportunity to vote, amended their election act and extended the territory to take in the Patricia district. But evidently the people there did not vote right, because in the election of that year the Labour candidate secured a majority of forty or fifty, I cannot remember the exact figures. It was a surprise to the Conservatives because their candidate made it quite clear that the manager and the superintendent of a certain mine had advised him that he would secure practically all the votes there. In 1930 the government of the day introduced a measure to give those 600 people, composed of surveyors, miners and others engaged in the mining industry, an opportunity to vote in the election of that year. Then it was that those people realized that they were to be punished because of the manner in which they had cast their votes in the 1929 election.

Mr. STEVENS: What nonsense!

Mr. HEENAN: What nonsense?

Mr. STEVENS: Yes. Who was in office, and who had control at that time? The hon. member standing in his place.

Mr. HEENAN: I am telling you that the government of the day introduced a measure to enfranchise those people, and I am going to give the house the words of the present Prime Minister in criticism of the proposal.

Mr. STEVENS: He was not the government.

Mr. HEENAN: After it had been agreed by the government of the day and the official opposition that any measures of a controversial nature should be withdrawn so that parliament could be prorogued, Mr. Bennett, in opposing the measure, said:

Mr. Speaker, a more barefaced, iniquitous piece of political legislation has never been placed before this House of Commons in the dying hours of a session; never.

Mr. GUTHRIE: Therefore you withdrew it.

Mr. STEVENS: In shame you withdrew it.

Mr. HEENAN: Let me continue the quotation:

> No part of the province of Ontario exists which is not within an electoral district at this moment. The object of this legislation is to take from one electoral district a small area and give it to another for the benefit of the Minister of Labour, because there were a few votes given in favour of a candidate whom he supported at the last provincial election.

Showing quite conclusively that the then leader of the opposition, now the Prime Minister, had been advised by the defeated candidate and a few of his friends to oppose the measure because of the way the electors had voted in the 1929 election. Well, in 1930 we had another election, and it was not until election day that we really saw—I give them credit for it—the manoeuvre that was to be made, because my hon. friends—and I am not speaking about the government particularly—

Mr. STEVENS: What page of Hansard was my hon. friend reading from?

Mr. HEENAN: You will read it to-morrow in Hansard.

Mr. STEVENS: But my hon. friend quoted Hansard. Surely he will do me the courtesy of giving me the page he quoted from?

Mr. HEENAN: But this is taking up my time.

Mr. STEVENS: It will only take a minute.

Mr. LAPOINTE: I remember the speech distinctly.

Mr. HEENAN: It will be found at page 2818 of Hansard of 1930. I will hand it over to my hon. friend.

Mr. STEVENS: Will you kindly send it over?

Mr. HEENAN: Yes—it is good reading. But on election day we found the real reason for the whole thing. I say I am not blaming the government of the day; I am blaming the political manoeuverers in that part of the country, for what did they do? They learned a lesson in 1917, they learned how to distribute votes and how to win that war time election, so all these people were not allowed to vote. There were Ontario government aeroplanes to bring out those who they knew would vote right, and they voted by perjury and fraud in the rural polls. Over one hundred voters were brought out I am advised by the campaign managers and they voted in the rural polls, under section 232 of the Dominion Elections Act, under which a person has only to vouch that the person is a resident of the district. They are permitted to vote, notwithstanding the fact that they are not on the voters' list. That was the real reason, and now the government introduces an amendment, after I introduced this bill to enfranchise these people, and if that amendment is adopted it will practically keep those people disfranchised.

I am sorry the Minister of Justice was not leading the house on that occasion, because I believe his fairness would have made this further debate unnecessary. I am satisfied that the real Conservatives did not wish these six hundred miners, pioneers of this country, and especially in Ontario, disfranchised, and I am satisfied that the Minister of Justice would not be a party to such political manoeuvering. He would not have agreed to the sending in of aeroplanes in order to bring out these people to vote at rural polls by fraud and perjury. Through this amendment, however, that is what the government is subscribing to at the present time.

I do not wish to labour this question. Had the Minister of Justice been in his seat I am satisfied he would have spoken a little differently than the way the Minister of Trade and Commerce spoke. I think probably he would have said this was a proper bill to be introduced, but that inasmuch as a redistribution may take place before the next election, the government would give the assurance that before any election took place they would see to it that these people were given the franchise. I am certain of that, but instead the Minister of Trade and Commerce rises in his seat and calls the measure everything but its right name. He has indicated by his language that it is silly, that a person could not be sincere in introducing it at this time. He has talked about rumours and all that sort of thing, which have nothing to do with the bill. He has moved an amendment which, if carried, will have the effect of keeping the franchise from these people until some other step may be taken.

As I said, Mr. Speaker, I do not wish to dwell upon the question further. I am satisfied that the house will not accept the amendment of the Minister of Trade and Commerce. I certainly hope that will not be the case because we will be simply giving an impetus and an encouragement to a few—I will say not more than six—political manipulators, who never did anything for the district or for the Conservative party. They will be able to work in conjunction with a few politicians in the city of Toronto in order to keep these six hundred people as a reserve upon which

they may draw in the event of being hard pressed during an election.

Talking about political manoeuvering, these people were actually encouraged by some of the ministers of the provincial government to do these things. By the way, I see questions on the order paper indicating that people were dismissed because of partisanship in provincial and federal elections. We had the spectacle in our constituency of the defeated candidate working in conjunction with the officers of the Ontario government, road foremen and engineers, on election day, bring in the voters on government trucks, off the highways. They stood one on each side of the sidewalk with the pay list, calling these people by numbers. The candidate would say, "number so-and-so, you are working for us out at camp so-and-so, and it is your duty to vote, step in this way." These people were used for the purpose of winning one seat, but notwithstanding all that, the Conservative did not make the grade. In fact, if it had not been for the Ontario government and their methods of bribery, corruption, intimidation and persecution of the settlers, they would not have reached first base during the last election. All that I am asking to do by this bill is to enfranchise these six hundred people and let them vote as they will at the next election.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, as my name has been brought into this discussion, and since, a direct appeal has been made to me, I think I should say a word or two. No one on this side of the house objects to the enfranchisement of these six hundred voters who, it is said, are disfranchised owing to some act or some omission on the part of some government. I think we all agree that those men should be entitled to vote; the theory of our election act is that every man who is qualified is entitled to vote in some constituency.

I have listened for the first time to the statement of the hon. member for Kenora-Rainy River (Mr. Heenan) in regard to this proposal. I was not in the house when the proposal came up for discussion last year, so this is the first occasion on which the facts have been brought to my notice. If I were to criticize the speech to which I have just listened, and the attempt which has been just made to apportion the blame in this matter and place it upon the shoulders of this government, I would characterize that speech as a tissue of nonsense. A more nonsensical statement or a more groundless appeal I never heard made in this house. The hon. member says this party was in power in 1926.

Mr. HEENAN: I did not say anything of the sort.

Mr. GUTHRIE: I understood that my hon. friend said the Conservative party was in power for a few months in 1926, and certainly it was.

Mr. HEENAN: And had charge of the election machinery.

Mr. GUTHRIE: We had not charge of the election machinery. The election machinery was entrusted, under an act of this parliament, to the man who was selected by the leader of my hon. friend and myself in 1921, namely, Colonel Oliver Mowat Biggar. He was the chief electoral officer in 1926 and had been since 1921.

Mr. HEENAN: If there is any nonsense in the house, that is the most nonsensical thing I have heard.

Mr. GUTHRIE: Colonel Biggar was in charge of the election in this country in 1926. He appointed the enumerators—

Mr. HEENAN: Upon whose recommendation?

Mr. GUTHRIE:—and took charge of the election in the district of which my hon. friend has been speaking.

Mr. HEENAN: Upon whose recommendation?

Mr. GUTHRIE: I assume on the recommendation of Colonel Biggar. He had charge of the whole election.

Mr. HEENAN: On the recommendation of the Conservative candidate.

Mr. GUTHRIE: Does my hon. friend desire to cast any reflection on Colonel Biggar?

Mr. HEENAN: Certainly not.

Mr. GUTHRIE: Colonel Biggar, as chief electoral officer, was the only man who could settle such a difficulty, if a difficulty did exist. The only man in Canada who could do anything in such a case was Colonel Biggar, who used his own judgment in carrying out the election law of Canada.

This is the first charge made by the hon. member for Kenora-Rainy River against this government. A greater sham was never laid before the House of Commons. Now he says that last year the government of which he was a member brought in a bill—and they were in power by a very substantial majority

in this house. They brought in a bill to remedy this wrong, this injustice, to these six hundred voters. Why did his government not carry it through? They were in power, the hon. gentleman himself was a member of the government and intimately concerned with this particular affair. But he sat supinely in his place and allowed the house to prorogue without remedying the wrong, passing the bill without providing that these six hundred persons should have the right to vote. The hon. member for Kenora-Rainy River sat placidly in his seat and did not press his bill. Yet he comes forward this session and complains of the wrongs done to the people in his own riding, when the whole blame in the matter rests on his own shoulders and on the shoulders of the government of which he was a member which failed to pass the bill. He says that the government was not in power during the election in 1926. I agree. But it was in power in 1927, and he was a member of it. It was in power in 1928 and he was a member of it. It was in power in 1929 and again in 1930, and he was a member of that government. For four long years this crying outrage which he has pictured to-night continued in his own territory and he did not raise a hand to redress it. In 1930 he did take some steps in the matter, but some influence was brought to bear upon him, because he allowed the government of which he was a member, to abandon his bill. He allowed the house to adjourn without passing the measure. He apparently thinks that the minority of the House of Commons should have put the bill through. He was in the government until election day, 1930, and failed to afford the right to vote to these good people.

Such is the ridiculous position in which the hon. member finds himself to-night. And this is the sort of proposal he submits to the House of Commons. What is the answer? It is a simple one. This is the first session of a new parliament. Under the constitution of the country, the census must be taken this year. As soon as the census is taken the constitution prescribes that a redistribution of the ridings shall take place. Surely this matter can wait one year. This government will be in power another year; we can guarantee the hon. gentleman that. When the redistribution bill comes down the matter will be righted. But why interject a measure of this kind at this session? There is nothing to be gained thereby. The hon. gentleman did not do it when he had power, but now he projects this bill as a grievance to parade in the north country to induce the people to believe that he has been working to get them votes now that he is out of power, forgetting to tell them that during the four years he was in power he did not raise his hand to help them.

Mr. McMILLAN (Huron): Under whose instructions was the then returning officer of South Huron dismissed from his position and his successor appointed just prior to the federal election of the fall of 1926?

Mr. GUTHRIE: I have no knowledge of the subject. The hon. gentleman will have to speak to Colonel Oliver Mowat Biggar if he wishes to get that information. Colonel Biggar was in charge at that time.

Mr. McMILLAN (Huron): I thought the minister might be able to tell me.

Mr. GUTHRIE: That is the only information I can give.

Mr. J. EARL LAWSON (West York): It had not been my intention to participate in the debate on this bill, but when the hon. member for Kenora-Rainy River (Mr. Heenan) rises in his place and makes the allegations which he does as allegations of fact as to what occurred in the district of Patricia in 1926, I wish, in the strongest terms of which I am capable, to deny these allegations; because in 1926 I was the magistrate of the district of Patricia. As that district was at that time, and still is, an unorganized territory, I had charge of the administration of justice, including the direction of the provincial police officers in the district of Patricia. When the proclamation was issued for the election of 1926, there was not a parliament in session and consequently the question as to whether or not the people then resident in that district should have a vote was a matter dependent upon the statutes. Some of the permanent residents, few in number as they still are, desired to have a poll established in that district and application was made therefor to the returning officer for the adjoining district of Kenora-Rainy River. Apparently for a short period of time the local returning officer for that district was under the impression thet he would be able to grant a poll in the district of Patricia. But the chief electoral officer for Canada, or his legal adviser, I am not sure which, overruled the decision of the local returning officer. Hence a poll was not established in the district.

Before hon. members vote on this measure I should like to place before them another little picture so that it will not appear that vast numbers of the permanent residents of this country are being disfranchised. The district of Patricia is a vast, unsettled, un-

organized area. In order to proceed from Hudson on the national railway to the first settlement—that is, apart from Indians—at the Hudson bay post at lac Seul, you have to journey 127 miles by canoe at most times of the year and, sometimes when the Manitou rapids are high, you can go in a launch. It takes two mighty good paddlers three days to make the trip. At Gold Pines, which is a local centre, there were in 1926 fourteen permanent residents, and in the summer of 1930 there were not more than forty-two. That, I believe, was my count when I journeyed there at that time. To the next settlement in that country, which is the Howie mine, where a number of men are working—that is, at Red lake—it is seventy miles by water, with six portages. That was the number originally, but at the present time, I believe, by the flooding of the upper and lower Ear falls by the provincial hydro development two of the short portages have been eliminated. You cannot travel by launch because you cannot take a launch over the portages; so that, again, it takes two very good paddlers, as I know very well, to paddle a canoe and make the partages from Howie mines at Red lake, a matter of three days, to get to the townsite of Gold Pines. The very best you can do it in is two days. There is a small settlement consisting of about four permanent residents at Jackson-Manion mines, and to get there you have to go ninety miles by canoe, with eleven portages, two of them a mile and a quarter long. There are few facilities for transportation in that country, so that you are not disfranchising any enormous number of people when you fail to pass this bill at this session.

Mr. SPEAKER: The hour for private bills having expired, the house will revert to committee of supply. I will ask the hon. member for Yale (Mr. Stirling) to take the chair in the absence of the Deputy Speaker.

SUPPLY

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

Mr. SANDERSON: A few minutes before six o'clock I had asked the Minister of Agriculture a question with regard to the National Dairy Council, when the hon. member who at that moment was acting as chairman ruled me out of order. I want to revert to that question. I asked the minister also if he had any knowledge of the movement on foot to merge all the small creameries of this country into a gigantic monopoly whereby the farmer would lose a large amount of his revenue and the consumer would be forced to pay an exorbitant price for butter, cheese, cream, milk and all other produce allied to the dairy industry. The minister replied that he had no knowledge of such a merger. I want to ask him a further question and I think the committee and the country are entitled to the information before this item passes, because in my judgment this is a vital matter. Will he take steps to investigate and find out whether there is anything in the rumour that this merger is under way? While he is doing that, I should like him to find out, because I think it is his duty to do so, whether or not any of the officials of the National Dairy Council are interested in the merger of these creameries, whether they are soliciting stock subscriptions from the farmers and the people generally for this merger in order that they may wipe out the individual and cooperative creameries and get the whole dairy industry under their own control. Will the minister give his assurance to the committee that he will investigate and find out whether there is anything to this rumour, and also whether some of the officers of the National Dairy Council are interested in the merger? I shall ask the minister for his reply and I want to tell the chairman that if the minister answers my question now, I intend to continue my remarks.

Hon. ROBERT WEIR (Minister of Agriculture): I shall answer the hon. member's question before I conclude the remarks which I am about to make. The hon. member for Willow Bunch, before the six o'clock recess of the committee, asked me to make a statement in connection with the dairy policy that I am endeavouring to formulate for the benefit of the dairy industry. I think that was a very fair question and quite in order at this particular time. As regards the reference he made, requesting that I make a statement in reference to the national dairy policy as discussed by the National Dairy Council at their conference in Winnipeg, I may say that the details of that entire policy are not yet worked out. There was a misunderstanding regarding the request that I made of the president of the National Dairy Council before he proceeded to the Winnipeg conference. I asked him to bring up unofficially before this conference, certain points in connection with an advocated dairy policy, but not to bring the matter up as part of a dairy policy. What I wanted was to get the opinion or the reaction, with as little prejudice as possible, of those people who were

there, representative as they were of various phases of the dairy industry. The president of the National Dairy Council evidently misunderstood me. He understood me to ask him to bring up this dairy policy of which we had the skeleton and which we had not had time to submit to a number of people to whom I had hoped to submit it before that time. I think it is only fair to him to say that due to the pressure of work to which I have had to give attention, the misunderstanding is more likely to have been on my part than on his. It was not intended by me that that should be presented to the conference as the skeleton of a national dairy policy, although I do not claim that anything he said was not correct. What he did say was quite correct.

As I said at the outset, the policy is not worked out in detail. I think it is only fair that, as has been requested, I should outline to the committee as much of the dairy policy as we have in view and some of which we have already put into practice. I think we can agree that in any dairy policy which we formulate the ideal that any dairyman would have in mind is something of this nature: to produce dairy products,—let us take for illustration butter—to produce dairy butter of such a quality that it will compete favourably with butter put on the world market from any other dairy farmer in the world; not only that, but to produce it at the lowest possible cost and to have it marketed in such a way that there will be returned to the dairyman the highest possible portion of what the consumer pays for it.

Mr. DONNELLY: Does the minister mean creamery butter or dairy butter?

Mr. WEIR (Melfort): Creamery butter on the world market. The work of the government and of this department in particular, I take it, in connection with the dairy policy, is to assist the farmer in every way we can to produce at the lowest cost and to market the product so that it will return to him the greatest percentage of the price that the consumer pays. In the commencement, then, we placed a duty against New Zealand butter, the idea in my mind being to set up a protection for the dairy farmer in Canada so that behind that protection we could assist him in readjusting the dairy industry, especially in places where it had not been carried on to the extent it might have, for reasons for which no one is to blame, because the farmers felt they could make more money, as they doubtless could, in other commodities. I do not think many people believed we would be on the export market so soon, so that the length of time we had to assist the farmer to adjust himself behind this protection is not what we had estimated.

What is my policy to assist the farmer to produce at as low a cost of production as possible? First, we believe that as one of the necessary, basic principles of agriculture, we must get into the farmer's herd the best blood possible, which will, through inheritance, make the best possible use of the feed that the farmer puts into his herd and also the labour that he bestows upon it. In that connection we have instituted a policy and have already sent out to many of the farmers throughout the dominion, many of whom would find it almost impossible otherwise to get them, sires that I know will fulfil the statement that I have made with respect to improving the blood of the herd; and secondly, by making it easier for farmers to get the sires and female foundation stock that they want, we hope to encourage the farmers in western Canada in particular, who I feel sure wish it, to go into more diversified, mixed or balanced farming in certain localities that are adapted to it.

In addition to taking very definite steps to improve the blood in the herds of the farmers throughout the country for the reasons I have indicated, we have conducted experiments with feeds in local districts, to show the farmer the best balanced ration, making use of his own locally produced feeds, for dairy stock. One of the cheapest feeds we all realize for the dairy industry is that of pasture. The question of pasture in both eastern and western Canada has been very much neglected. An acre of native pasturage cannot begin to carry now the number of head that it carried some years ago. In this connection, in order to assist the farmer in producing cheaper feed as pasturage, thus reducing the production cost of his butter, we are endeavouring to get the services of one or two of the best qualified men in the Dominion to work especially on this problem of pasturage. I think that those of you who have not looked carefully into this one phase of the production costs of dairy products do not realize that it is perhaps one of the most important factors in reducing the cost of production.

We also hope in the winter months to establish short courses in dairying, in conjunction with the provinces, in connection with our experimental farms. There will also be lectures to groups of farmers, as well as to these students taking the short courses, in the different phases of marketing, and we hope to be able to obtain the services of people with expert experience in marketing, because I feel

that we are all at least in accord on this, that marketing is perhaps the most important problem that faces us at the present time. When speaking of marketing I do not mean the problem of finding new markets, but the problem of marketing the goods to the markets we already have with a minimum of wastage in the return to the farmer. In this connection I moved yesterday a resolution giving authority to the agriculture committee to make a thorough investigation and review of the problem of marketing agricultural products, including, of course, dairy products. I know of no better place to investigate the question of a merger in the dairy industry or an attempt by any one concern to get control of the butter industry than the agriculture committee, and I am sure that the members of that committee will welcome any information that the hon. gentleman who has just asked me the question regarding a monopoly has to offer.

I am also asking the committee to make a report on cooperative marketing versus the marketing by private interests; both of them, but especially the private interests, under some sort of control which I shall suggest to the committee.

When the price of butter dropped, as it did drop this spring, much faster than I think the dairymen themselves or the distributors thought possible a week or two before, personally I felt that it was not warranted, so I asked the distributors from Montreal to meet me in Ottawa in order to get their viewpoint as to whether or not they were warranted in dropping the price in butter. They gave me information which left no doubt in my mind that the drop was warranted, due in particular to the greatly increased production of fodder butter, which we all know is of a quality and character that will not keep properly and is of very little use for export shipment. I have instructed the officials of my department in this connection to do two things: first, go gather accurate data on the price paid for butter fat to the farmer, and the price paid for butter by the consumer, so that then we will be in a position to carry on an investigation and see wherein it might be possible to reduce that spread. We all realize that the man who handles this butter is entitled to a fair profit, but I think we also realize that he is not entitled to a greater share of the profit, in proportion, than the man who does the actual laborious work on the farm in producing this commodity. I have also asked them to gather the most accurate information available on the amount of butter stored month by month, the average price of butter during that period, and also the price charged by the distributors for that butter when it is released in the winter months. Any problem in connection with the marketing of dairy products I feel will receive every consideration by the agriculture committee. I know of no body, especially with the authority which has been given to it by this house, which is in a better position to give us full information in this connection.

Before resuming my seat, I would say this. I have not—at least if I have done so, I have not wittingly done so—refused in any way to provide this committee with any information that it has asked for. Wittingly I have not even delayed in producing the information. I refer in particular to the information regarding the number of pounds of milk produced month by month. I thought from the beginning of this whole discussion that it was not so much a matter of one man doubting the word of another, but rather that the majority of us understood that the information had been obtained from two completely different sources.

Mr. SANDERSON: I want to thank the minister for at least giving my question a partial answer. I understood him to say that the committee on agriculture would endeavour to investigate and find out if there was any truth in the rumour that a merger was being formed to control the dairy interests of this country. May I point out to the minister that surely there is a better way than that to go about it. Parliament will not be sitting here all summer.

An hon. MEMBER: If we keep on it will.

Mr. SANDERSON: Let me tell my hon. friend I have not taken up as much time of the house this session as he has.

Mr. MANION: Oh, yes.

Mr. TURNBULL: We do not mind listening to the hon. member for a while.

Mr. SANDERSON: For a new member the hon. member for Regina has had a good deal to say in his first session.

Mr. COWAN (Long Lake): He has had a good deal of experience, just the same.

Mr. SANDERSON: If my hon. friends opposite wish to continue interrupting I promise them that I shall keep them here a long time. I believe the minister suggested that as his officials went around the

country he would instruct them to make some investigations regarding the merger. Am I wrong?

Mr. WEIR (Melfort): Yes.

Mr. SANDERSON: May I humbly suggest to the minister that if he took that stand he would gather far more information than through the committee on agriculture. He has officials going up and down the country in every province who are in a position to get first-hand information. The minister should instruct them to gather information for his future use. If there is nothing in the rumour, well and good; if there is any truth in the rumour he as Minister of Agriculture should take steps as soon as possible to stop the merger.

Mr. STEVENS: It is not his business at all.

Mr. SANDERSON: For the last two or three days I have listened to the discussion about butter. During the election campaign in July of last year, butter was a live issue. It was featured by the Conservative party not only during the election campaign but during the special session of parliament. Speaking only of the province of Ontario I should like to say that there are perhaps eight, nine or ten hon. members sitting on the government benches opposite who owe their election to butter. I want to say that their campaigns were unfair. Camouflage and distortion of figures were practised to an extent which does not reflect credit on the government of the day. I know at least some of my hon. friends opposite do not like a prolongation of the discussion on butter; they would rather forget about it. They know that to a certain extent they are holding their seats under false pretences so far as their promises in regard to butter are concerned.

Some hon. MEMBERS: Order.

Mr. SPOTTON: Order.

Mr. SANDERSON: My hon. friend from North Huron says "order." If he thinks I am out of order he should rise to a point of order.

Mr. SPOTTON: Mr. Chairman, I rise to a point of order. I am not particularly well versed in parliamentary rules, but surely it is distinctly out of order for a member to state that other hon. members of the committee are occupying seats under false pretences.

An hon. MEMBER: It hurts, doesn't it?

[Mr. Sanderson.]

Mr. SPOTTON: I thought the election was over. I came through a by-election in 1927 with which my hon. friend had a great deal to do, if there could be any more false pretences than he—

Some hon. MEMBERS: What?

Mr. SPOTTON: If there could be any more promises made since Adam was a boy—

Some hon. MEMBERS: Order.

Mr. SPOTTON:—I should like to hear them.

Mr. SANDERSON: I did not wish to get into any controversy with my hon. friend from North Huron, but he started the present discussion. When my hon. friend from North Huron is not in the House of Commons or is in his own riding during a campaign he poses as a low tariff man. According to his statements on such occasions he is opposed to protection.

Mr. SPOTTON: No.

Mr. SANDERSON: I have heard that during the last election campaign he made statements on the public platform and during his canvassing that if the Conservative party were returned to power—

Some hon. MEMBER: Order.

Mr. SANDERSON: —and Mr. Bennett became Prime Minister—

Some hon. MEMBERS: Order.

An hon. MEMBER: We are discussing the dairy industry.

Mr. SANDERSON: I shall come to butter in a minute.

Mr. SPOTTON: My hon. friend is a poor loser.

Mr. SANDERSON: The hon. member for North Huron said he would be one of the first to rise in his seat and vote against any increase in tariff. However I never heard him protest last September. Never once on the floor of the house have I heard him raise his voice against an increase in tariff. I noticed in the press the other day a report of a meeting—

Mr. ARTHURS: This discussion is wholly out of order.

Mr. SANDERSON: There was a Liberal meeting in which the opponent of the hon. member for North Huron—

Mr. ARTHURS: The hon. member is not speaking to the subject before the chair.

Mr. DUFF: He is quite in order.

The CHAIRMAN (Mr. Stirling): I would ask the hon. member to refer to the matter before the house.

Mr. SANDERSON: I would like to do so and I shall do so in a minute.

Some hon. MEMBERS: No, now.

Mr. SANDERSON: The press report of this meeting contained the statement that the hon. member's opponent—

Some hon. MEMBERS: Order.

Mr. SANDERSON:—the hon. member's opponent—

Some hon. MEMBERS: Order.

Mr. SANDERSON:—stated he wished that there could be an election held in the next week or two—

Mr. ARTHURS: I rise to a point of order.

Mr. SANDERSON:—and that at such time friends of my hon. friend from North Huron would see whether or not he was a low or high tariff man.

The CHAIRMAN (Mr. Stirling): I must ask the hon. member to speak to the matter before the committee.

Mr. SANDERSON: I shall be very glad to do that. I stated that a good many of the hon. members on the other side of the house from the province of Ontario were elected on their policy in regard to the importation of butter. The promises, propaganda and statements made by Conservative candidates and their friends in regard to New Zealand butter were surprising. This afternoon we were told that some of the creameries sent out notices with the pay cheques of their patrons stating that if there had been no New Zealand butter imported into this country their cheques would have been greater than the amounts they were actually receiving. In the constituency I have the honour to represent the propaganda was somewhat different. By some means or other access was obtained to the books of at least some of the creameries in South Perth and information was obtained as to the amounts the farmers were receiving from month to month over the period of a year. With this information in hand statements were made out which I shall describe. For example, if a farmer received $40 for one month there was a notation in the next column stating that as soon as the Bennett government came into power he would receive $60 or perhaps $70. What was the result? The whole propaganda of the Conservative party in regard to this butter question was that if that party came into power—and it did come into power—immediately the price of butter would go up.

An hon. MEMBER: No.

Mr. SANDERSON: During the election campaign the price of butter went down lower than it had been for some months previously. The promise made by the Conservative party to the farmers was, "If you vote for the Conservative candidate and if the Conservative candidate wins the election and the party gains power, immediately the imports of butter into this country will be stopped." When asked about the New Zealand agreement, they said, "Why, Mr. Bennett does not care for the New Zealand agreement; he will wipe that out immediately he comes into office." When asked about the Australian treaty they said, "Mr. Bennett will just ignore the Australian treaty and there will be no more butter coming in." What has been the result? In the last few months butter has reached the lowest point in thirty-five years, and instead of the patrons of our creameries receiving cheques for larger amounts as promised by my friends opposite, they are receiving the smallest amounts that they have ever received in the history of the industry.

Now I come to another matter, Mr. Chairman, and I do not know that I would have referred to it if some of my hon. friends opposite did not seem to think that when I get up to speak they must interrupt me. During June and July last year large quantities of New Zealand butter were imported. Who was buying that butter? It was evidently coming in for storage and was very much in excess of the amount that has come in for the same months in any previous year. Rumour had it that the Conservative party, financed as it was by millionaires and multi-millionaires, went into the butter market.

Mr. MANION: Nonsense!

Mr. SANDERSON: The Minister of Railways says "nonsense." I do not know that is is nonsense; I think there is a good deal of truth in the assertion. What would be their object in doing that? To bear the market, to reduce the price of butter so they could point out to the farmers of Ontario and the other provinces that the King government was responsible for the low price of butter. There was very little our Conservative friends overlooked in the last election, and I give them credit for it. They capitalized the unemployment situation, and I have my own idea whether or not they capitalized the butter situation. I believe that part of that propaganda was the im-

portation of butter to bear the market. I have under my hand some of the campaign literature used by the Conservative party during the last election, I propose to quote from the Speakers' Guide, issued for the Liberal-Conservative party by the Confederation Publishing Company, Limited, Ottawa, Canada. At the bottom of the front cover is the slogan:

One country—one policy!

In this guide five pages are devoted to the dairy industry. Unless my friends opposite interrupt me too much I will not take up the time of the committee by reading it at length, but I should like to quote at least a part of it. This may be familiar to some of my Conservative friends:

The Throttling of the Dairy Industry in Canada

The tragedy of the dairy industry in Canada is a matter of most serious concern to the great majority of farmers of the dominion and to that vast body of Canadians whose welfare depends upon the prosperity of the farmer.

The facts of the situation are as simple as they are disastrous and form perhaps the most costly chapter in nine years of government during which change has ever been mistaken for progress by Mr. King and his ministry.

The next heading is:

The Germ That Brought Decay

Then quotations are given from speeches by the hon. member for Haldimand (Mr. Senn) and by the hon. member for Dufferin-Simcoe (Mr. Rowe)—

Mr. DUFF: Read it all.

Mr. SANDERSON: —in regard to the dairy industry. Those two hon. gentlemen were the leaders in the propaganda with respect to New Zealand butter. They were, as my friend says, the bell-wethers. They went all through Ontario and they also campaigned in Quebec and in Saskatchewan and Manitoba. They pointed out to the farmers why the King government had ruined the dairy industry, and advised them to put out the Liberal administration and put in the Conservative, when they would be hundreds and hundreds of dollars ahead every year in the dairy industry. I know that my friends opposite will say, "We have been in power only a few months; give us time." But the result since they have come into power has been disastrous, not only to the dairy industry but to every other industry in this country. I know, too, that they propose a higher tariff as the panacea for all these troubles. Well, they increased the tariff on butter to 8 cents a pound, thinking of course that butter locally would go up in price; but the reverse has happened, the price has gone down. Speaking of the province of Ontario, I tell my hon. friends opposite that if it were possible for the farmers to register their votes within the immediate future there would be a different result from what we had last July —largely due to this butter question. The whole question has been permeated with humbug if I may say so, simply for the purpose of catching votes. The responsibility for remedying the present depressed condition of the dairy industry is on the government, and particularly on the Minister of Agriculture. I do not want to embarrass him, I understand he has many difficulties, but I warn him that as he goes on he will find that not the least of these difficulties is the condition of the dairy industry, for on him will rest largely the responsibility of at least endeavouring to do something to redeem the promises so lavishly made by the Conservative party last July that the price of butter would go up. So I say that this is a very vital question, more vital than my hon. friends across the way regard it. They are treating it largely as a joke, but they will find that their constituents are not treating it as a joke. The milk producers, the patrons of the creameries, are not treating the butter situation as a joke.

Mr. CHAPLIN: You treated it as a joke when you made the Australian treaty in the first place, and you were so told.

Mr. SANDERSON: I have heard my hon. friend from Lincoln make a joke out of himself pretty often in this house, and I do not want to get into any controversy with him to-night.

Mr. CHAPLIN: Don't do it.

Mr. SANDERSON: But I am endeavouring to point out to the committee that this is an item that should be held up until the fullest possible information has been given by the minister and by the government. My hon. friends opposite say that the opposition are wasting the time of the house, that this item should be passed without further discussion. I have a distinct recollection two years ago, when most of my hon. friends across the way were sitting here, of their holding up the estimates of one minister for nineteen days. A dose of their own medicine is due to them now.

Mr. DUFF: They are getting it, too.

Mr. SANDERSON: The more they endeavour to obstruct the more we will keep this thing going.

An hon. MEMBER: Go ahead.

Mr. SANDERSON: A reference to Hansard will show that about as many hon. members from the government benches as from this side have taken part in the discussion.

Mr. MACKENZIE (Vancouver): And said nothing.

Mr. SANDERSON: My hon. friend says they said nothing. They endeavoured to come to the assistance of the Minister of Agriculture, but in the judgment of those of us who sit here, and I think in the judgment of the people, instead of helping the minister they retarded progress. I see that my hon. friend from North Huron is getting sleepy. I should not like to interfere with any rest he may need. If he wants to go to sleep, well and good, but in conclusion I would like to say that hon. gentlemen opposite, and members of the government, may think that after this item passes—and doubtless it will pass some time—the butter question will be over and forgotten. I do not think it will make any difference whether an election comes in one year, two years, three or four years; the butter question will not be forgotten by the people of Canada, along with all the other broken promises made by hon. members who now occupy the government benches.

Mr. VALLANCE: Mr. Chairman, I was pleased when the Minister of Agriculture rose in his place as soon as he possibly could after the dinner hour and announced what was to be the policy of this government in connection with dairying. I am not holding the minister responsible for all that happened during the election; I do not wish to hash over all that was said by the hon. member who has just taken his seat, but one thing is quite apparent to this house and to the country. It is this: One of the outstanding issues during the election was the dairy industry, and I was pleased—and I may say quite frankly I am somewhat sympathetic to the Minister of Agriculture in the policy he has announced—to hear the statement by the minister. However, I think we should investigate this matter and see just how far it will be possible for the minister to carry out the policy he has enunciated.

First of all, the minister says we must make it possible for the farmer to produce his dairy products as cheaply as possible. Let us see, Mr. Chairman, what happened at the special session of parliament last year. The budget was brought down on September 17, and I should like to refer to some of the tariff provisions of that budget, from which hon. members will be able to judge whether it is possible for the dairy industry to operate more cheaply to-day than it could before that budget was brought down. There are several things which enter into the manufacture of butter. First of all, you must have the implements of cultivation in order to grow your feed, and the more cheaply you can buy these implements the more cheaply you will be able to produce butter. So I should like to draw the attention of the committee to some changes made in the tariff during that special session. In order to grow feed you must cultivate your soil; those of us who have any knowledge of farming will agree with that statement, so that more cheaply we can buy these implements of cultivation, the more cheaply we will be able to produce butter.

I refer first to item 409b, which covers such implements as cultivators, harrows, seed drills, horse rakes and so on. Under the old tariff the British preference was free, the intermediate tariff was 10 per cent, and the general tariff 10 per cent. What happened when this budget was brought down on the 17th of September of last year? True, the British preference is still free, but the intermediate tariff is 15 per cent, an increase of 100 per cent, and the general tariff, which under the old schedule was 10 per cent, went up to 25 per cent. So the farmers and dairymen now must pay more for those implements I have mentioned. Then we come to ploughs.

Mr. MULLINS: Will the hon. member mention—

Mr. VALLANCE: I will mention all I want to mention, and after that my hon. friend can mention what he wishes.

Mr. ANDERSON (Halton): You do not know.

Mr. VALLANCE: I do not know what? If the hon. member has anything to ask me about this subject I shall be glad to answer him.

Mr. ANDERSON (Halton): What about the duties previously?

Mr. VALLANCE: We will go on to item 409c, which has to do with ploughs, and so on. The British preference was free, the intermediate tariff 10 per cent and the general tariff 10 per cent. What do we find to-day? We find that the British Preference is still free but that the intermediate tariff has gone up to 15 per cent, an increase of 50 per cent, while the general tariff has been raised to 25 per cent. This must mean an increased cost of production; there is no getting away

from it. It must be so, and I wish I had on my desk now a comparison showing the retail prices to the farmer from the catalogues of 1930, and the prices of 1931. I believe they would show, in spite of the statement made by the Prime Minister that there would be no increase in prices, that those increased prices prevail to-day.

Now let us take the next item, which includes other articles of farm machinery such as harvesters, combinations, threshing machines and so on, including the motive power incorporated therein. The British preference was free, the intermediate tariff 6 per cent and the general tariff 6 per cent. Now we find that while the British preference is still free the intermediate tariff has jumped to 15 per cent, and the general tariff to 25 per cent. I would say to the Minister of Agriculture that before the budget comes down on Monday, if he wants to make it possible for the farmer or the dairyman to produce his butter more cheaply, he had better see the Minister of Finance and make sure that some of these items are changed.

Then the minister goes on to say that he is going to send this question to the agriculture committee, in order that the committee may investigate and recommend to the house—and to the government, I suppose—just how they propose to deal with this matter. This question was an issue during the last election. Every candidate of whom I knew anything at all, and all the pamphlets I read emanating from the Conservative party, said they would solve this problem over night. As I said before, I am not blaming the Minister of Agriculture, because I suppose when the election started he had no more notion of becoming Minister of Agriculture than any other candidate, but to-day his party are sitting on the treasury benches just because of these promises. Now they propose to throw the responsibility on the agriculture committee, and I do not think the responsibility belongs there. It should rest with the government.

I said at the beginning that I was in sympathy with the policy outlined by the minister, and I believe he is trying to do the best he can.

Some hon. MEMBERS: No.

Mr. VALLANCE: Yes, I think he is trying to do the best he can, but still the responsibility does not belong to the agriculture committee; it belongs to the government. The minister also says we should deal with marketing. I do not think marketing is much of a problem to-day; it is markets we need, and we do not require to go into the methods of marketing. I say again that the responsibility should not rest on the agriculture committee, but on the government.

Mr. PORTEOUS: Mr. Chairman, hon. members sitting to your left have made reflections on the intelligence of the rural electorate in regard to the last election, inasmuch as they have stated that the rural people were stampeded or herded into voting for the Conservative candidate. I very much resent those reflections, and I am sure hon. members opposite do not wish to have those statements go back to the people in their constituencies. The people in the rural districts are intelligent; they vote as intelligently as any other class of people. They weighed the issues at stake during the last election, and they decided very strongly in favour of the Conservative policy.

For two days we have been listening to figures quoted in this house in connection with this item. We know that many newspapers contained figures, during the last election campaign, carried in display advertisements, in an endeavour to make the farmers believe the dairy industry was on a profitable basis, but the farmers did not believe it. The policy of the last administration was responsible for some 50,000,000 pounds of butter coming into the country.

Mr. MACKENZIE (Vancouver): Forty-one.

Mr. PORTEOUS: Well, we will say 41,000,000. But it was the last administration that brought about the Australian trade treaty, and it was that administration that passed the order in council with reference to New Zealand. As a matter of fact, Mr. Chairman, the farmers of this country did not know what the policy of the Liberal party was in this respect, and to-day the people know just as little about that policy. The Liberal members of this house are afraid to say that they are in favour of the Australian trade treaty and the New Zealand order in council, and they are equally afraid to express any disapproval of those trade agreements.

Mr. MACKENZIE (Vancouver): Has either my hon. friend or the present government any definite policy in regard to Australian trade?

Mr. PORTEOUS: We certainly have.

Mr. MACKENZIE (Vancouver): What is it?

Mr. PORTEOUS: We are not in favour of any undue competition in agriculture.

Mr. MACKENZIE (Vancouver): What is the government's policy?

Mr. PORTEOUS: Wait until I get through, if you wish to speak.

Mr. CHAPLIN: Criticize it when it comes down.

Mr. MACKENZIE (Vancouver): In five years' time?

Mr. PORTEOUS: It was not so much that hon. gentlemen opposite had a bad policy as that they had no policy at all. And they have none to-day. We have heard a good deal about election promises, and I will agree with hon. members opposite, that election promises had much to do with the defeat of the last administration. But it was election promises that were made to the farmers of this country prior to the election of 1926, and which were never fulfilled.

Mr. DONNELLY: What were they?

Mr. PORTEOUS: I could name them.

Mr. DONNELLY: Do.

Mr. PORTEOUS: Some are in connection with the tariff.

Mr. MACKENZIE (Vancouver): What, for instance?

Mr. PORTEOUS: They promised to reduce the tariff on farm implements and they never did it. The price of farm implements went up.

Mr. MACKENZIE (Vancouver): When?

Mr. PORTEOUS: The hon. member for South Battleford, I believe, has made the statement that the tariff which was put on in the emergency session has increased the cost of production. How did it increase that cost? It never increased the cost of farm implements; how, therefore, could it increase the cost of production?

Mr. VALLANCE: Wait until the budget comes down and we will produce evidence from catalogues.

Mr. ROSS: Wait and see.

Mr. BROWN: We are ready for the budget.

Mr. PORTEOUS: Notwithstanding what the ex-Minister of Agriculture has said, I have had as much to do with the dairy industry and have milked as many cows for my age as any man in this house, and I have also been engaged to some extent in the retailing of milk. I think, therefore, that I know as much about the subject as any hon. member opposite. Now, I should like to test the sincerity of the hon. member for Weyburn, who moved the amendment. I do not believe he is sincere, nor do I think hon. gentlemen to the left of the Chairman are sincere enough to support that amendment. This matter has been under discussion two days. Surely it is time the committee decided it. If the hon. member for Weyburn is sincere, let him persuade his party to permit the amendment to be voted upon; if not, let him withdraw it.

Mr. GRAY: On Tuesday last, as reported at page 1997 of Hansard, the self-styled onion king of this house, the hon. member for South Essex, who, I regret to say, is not in his place, said:

> Mr. Gott: I would like to say to the Minister of Agriculture that one recommendation made by the National Dairy Council of Canada has meant thousands upon thousands of dollars to the onion growers of Essex county.

A little further on he said:

> A year ago, through the recommendation of the National Dairy Council of Canada, the Minister of National Revenue took occasion to protect onions.

In the county I have the honour to represent, as well as in the county of Essex, there are a large number of onion growers. Now I would ask, seeing that we are discussing an item of $5,000 for the National Dairy Council: What possible connection is there between the National Dairy Council and the onion industry of southwestern Ontario? At the same time I should be glad if the minister would inform the committee whether the National Dairy Council did make such a recommendation as indicated by the hon. member for South Essex.

Mr. WEIR (Melfort): No recommendation was made that I am aware of.

Mr. McPHEE: I think I should put myself on record in connection with this matter. I am glad that the minister has intimated that no one and no government was to blame for the condition of the butter business when he took office. This is somewhat different from what we heard during the last political campaign. I speak with a certain amount of interest with reference to this item of $5,000 for the National Dairy Council, inasmuch as my opponent in the last election was a representative from Saskatchewan of the National Dairy Council, and he is to-day one of the beneficiaries of this vote. He was the candidate opposing me in the last election and he was heralded by the Conservative party and the Conservative press in the district as the representative of the National Dairy Council of Canada, a man who had considerable knowledge of the dairy business. During the election he spread the propaganda that the

only salvation of the dairy business in Canada was the return to power of the present government. He talked about New Zealand butter and he spread it half a foot thick over the whole district, over every platform in the district, so that it was almost impossible for one even to stand, to say nothing of sitting on the platform. He made the statement that if the present government got into office, immediately—it was not a question of days or weeks but immediately—the price of butter would go up in this country without any reference of the matter to a committee on agriculture to devise ways and means of obtaining a market. Not only that, but he told the farmers of the district, on the platform and through the press and in canvassing, that if the present government were returned to power the farmers would immediately get more for their butter fat. And he was manager of a creamery company which is one of the beneficiaries of this vote. In the cream cans returned to the farmers of the district would be the Conservative propaganda and the National Dairy Council propaganda in connection with this matter of butter.

What has been the result of all this election talk about New Zealand butter? Fortunately for me the farmers of my constituency were possibly somewhat more alert than those in other districts, because my vote was increased instead of being decreased. But what are the facts? Never before in the history of western Canada have the farmers received less for their butter fat than they are doing to-day. The price is from 10 to 12 cents a pound less than it was previous to July 28th last. In my district I saw butter sold at two pounds for 25 cents not more than a month ago.

Mr. MacMILLAN (Saskatoon): Dairy butter?

Mr. McPHEE: Yes, dairy butter; I did not say creamery butter. But the facts are that in the last election in western Canada the only platform of the Conservative party was the slippery one of New Zealand butter, and to-day they must suffer the consequences. Never before in the history of the western provinces has butter sold for less, and never before have the farmers of western Canada received less for their butter fat than they are doing to-day.

Mr. GORDON: What is the reason for that?

Mr. McPHEE: That is for the government to find out. The fact is that my hon. friends obtained power because they spread the propaganda that if the Conservative party were returned to office they would immediately increase the price of butter and the price paid to the farmer for butter fat.

Mr. GORDON: Oh, no.

Mr. McKENZIE (Assiniboia): I had not intended to take part in this discussion, had it not been for one or two statements made by the Minister of Agriculture with reference to the prices of butter. Let me refer to page 2001 of Hansard of May 26, where the minister is reported as saying:

> When the present government came into power the price in Canada was 28 to 28·5 cents per pound. At the same time the price of butter in the United States was 35·25 to 35·50 cents per pound—

And so on. Then he went on to say:

> On March 17, 1931, the price of butter in Canada was 31 cents a pound, and in the United States, 29·75.

He was evidently endeavouring to show that the tariff increase imposed was responsible for the price of butter. I do not know where he got his figures with regard to butter being 28 to 28.5 cents per pound, or a spread of 7 cents per pound between Canada and the United States, when the present government came into power. During the election campaign the butter question was a live one in my constituency, as apparently it was in every part of Canada. I had occasion to be right at the border about the latter part of June or the first part of July of last year, and I took occasion to ascertain the price of butter on each side of the line, at North Portal, Saskatchewan, and at Portal, North Dakota. I was amazed to find that the price in Canada was about one cent higher than it was in Portal, North Dakota. There was a tariff of 12 cents per pound on butter coming from New Zealand or any other country into the United States. Therefore in June and July of last year the price in western Canada was as high as if not a little higher than it was across the line in the United States. Possibly in the eastern part of Canada conditions were somewhat different; there was probably more of a spread between the prices on both sides of the line. But that was the condition of things that existed in the west just at that particular time.

In connection with the statement that was made with regard to the prices of butter on March 17, 1931, when the spread, as stated by the minister, became narrower, being only two cents, the minister later admitted that it was butter selected by the inspectors in Montreal and shipped to the old country market

that obtained that price. If that be true—and that is what the minister said yesterday—it is of little or no consequence to our farmers in western Canada and, I presume, in other parts of Canada as well. As the hon. member for Willow Bunch said yesterday, our people who are a long distance from the railway stations, from creameries, are making dairy butter, and last winter—and from letters I have received, the same condition applies to-day—they were very fortunate if they got rid of their dairy butter at all. If they did get rid of it, it was only at a price of about 12 cents a pound. They have been told on more than one occasion by the merchants in the town they cannot handle the dairy butter and to take it home.

Another rather remarkable statement made by the minister was to the effect that the increase in the tariff imposed by the present government put $2,000,000 into the pockets of the Canadian butter producers. Would the minister care to go out into the constituency which he represents—because I think conditions there are very much the same as they are in mine—and inform the farmers who have been told to take their butter home because of there being no market for it, that the policy of the government has put $2,000,000 into the pockets of the dairymen of this country? I wonder if the minister would go to his constituency and tell the people out there that such is the case. He said it yesterday, and I should like to know whether he really meant it.

I should like to ask the minister one or two other questions. What are the qualifications of the officers he has appointed for the inspection of dairy products? He said that two or three officials of the department had been discharged since he took office. I should like to know who those officials are and why they were discharged.

Another question that has aroused a good deal of comment among the people generally is the release of Australian butter last April. I am rather curious to know what representations were made to the government in that connection by any person, firm or corporation. Were representations made by firms which were exporting their manufactured products to Australia, asking the government to release this butter coming from that country in order to help trade between this country and that?

The hon. member for Saskatoon spoke about Mr. W. A. Wilson, the dairy commissioner in England, and said that the government had discharged him. Will the minister tell us whether Mr. Wilson has been discharged or not?

Mr. WEIR (Melfort): I am not certain that I can remember all the questions my hon. friend has put, but I shall answer the ones I can recall and ask him to repeat any which I have overlooked. I am informed that no official has been discharged from the dairy branch. I do not know the exact qualifications for an inspector of this branch, but there are printed application forms setting them out, I believe, which I shall be glad to submit to the hon. member. As far as Mr. Wilson is concerned, he is still in the employ of the government.

Mr. McKENZIE (Assiniboia): Were representations made to the government regarding the release of Australian butter?

Mr. WEIR (Melfort): No representations were made.

Mr. McKENZIE (Assiniboia): Not of any kind?

Mr. WEIR (Melfort): Not that I am aware of.

Mr. MACKENZIE (Vancouver): This afternoon I asked the minister a question. He stated yesterday in the house that the Australian butter was released as a result of a price-cutting war in the city of Vancouver. He said this afternoon that it was released in April. He had stated two days previously that there was an understanding that Australia would not release butter on the Canadian market under 32 cents a pound. I asked the minister this afternoon if he could inform the committee as to what price the Australian butter was sold on the Canadian market. I should also like to know if that butter was disposed of in the city of Vancouver alone, or was retailed through other industrial centres in the dominion.

Mr. WEIR (Melfort): In reply to the first question, I do not think I made the statement that the butter was released as a result of a price-cutting war.

Mr. MACKENZIE (Vancouver): I understood so.

Mr. WEIR (Melfort): I have not the information as to where the butter was sold or at what price it sold, but I shall be very glad to get that information if I can.

Mr. MACKENZIE (Vancouver): Thank you.

Mr. BOULANGER: I am not going to talk about butter, although a great deal was said about it in my county during the last election. My opponent, being a druggist from the city of Quebec, was, of course, well quali-

fied to speak on butter, farm implements and agriculture generally, and he took full advantage of his opportunity. I want to speak with respect to a matter which was brought up, I think, by my hon. friend from Assiniboia, and I want to refer to the answer given to his question by the minister. The minister said, if I understood him aright, that nobody connected with the dairy inspection branch of his department was dismissed for political partisanship. I am sure that the minister answered in good faith, and that he must have overlooked the case of a dismissal in my constituency. I think the minister will recall that case because I made as strong representations as I could to him in order to induce him to keep that man in the service. I refer to Mr. Caius Lacroix, of St. Michel, Bellechasse county, whose official position was that of supervisor of dairy products for the federal Department of Agriculture. He was dismissed on a complaint of political partisanship, laid by my defeated opponent, and after an inquiry had been made.

Mr. Lacroix is one of our best farmers, and was one of the most advanced and progressive agriculturists in our section of the country. I do not think it is fair for the minister to select that type of man, a well-qualified educated farmer, as the victim of a charge of political partisanship. To penalize farmers who have taken special pains to fit themselves for positions in which they can help their colleagues is not the way to encourage the farmers on the development of agriculture. Mr. Lacroix has been prominent in farming organizations in our section of the country for years. He is a pioneer in the raising of pure bred stock, having established fine herds of Ayrshire cows, Oxford Down sheep, Yorkshire pigs and Percheron horses. In 1924 he organized the Dairy Syndicate of St. Michel, of which he was secretary for four years. In 1922 he helped to reorganize the Agricultural and Horticultural Society of Bellechasse county, of which he is still secretary. In 1930 he organized the Cooperative Syndicate of Bellechasse for the production and sale of the best grade of potatoes, and he is the manager of that syndicate. He is also the manager of the Mutual Fire Insurance Society of St. Michel. For years he has been the correspondent, without remuneration, of the Department of Trade and Commerce and of the Department of Agriculture, furnishing free of charge statistics concerning agriculture and the trade in farm produce. This is the man who is selected as a victim in my county of the present government. This is how the government show their appreciation of the farmers and how they help the farmers in my section of the country.

This man was dismissed principally because he was poll clerk in one of the polls of St. Michel during the last election. That was the main accusation against him. Of course, the commissioner who held the inquiry heard a lot of witnesses who came and gave, not as a matter of evidence on specific facts, but as a matter of opinion, certain evidence. They gave their opinion that Mr. Lacroix was said to be the chief Liberal organizer in Bellechasse, and that he passed for such—all matters of opinion, nothing specific about it, no evidence. These people simply came before the commissioner and stated as their opinion that this man was a Liberal and therefore should be dismissed. But the only specific accusation against him, and the only evidence, was that he acted as poll clerk.

Mr. CHAPLIN: Is not that enough?

Mr. BOULANGER: No, sir. The man who acts as poll clerk in a poll renders services to both parties. He is an election official. Some time ago I heard the Minister of Justice state in this house, in connection with a bill of the former Minister of Labour, that election officers were all appointed by the chief electoral officer, and that there was no politics at all in their appointment, and no political recommendation. If this is true there was no politics at all in the appointment of Mr. Lacroix as poll clerk in the parish of St. Michel in the last election. This man kept the books of the poll, and filled in the forms, and did nothing else. He did not influence anybody at the time of the election. I would ask the Minister of Justice or some other member of the cabinet to state whether it is a political offence, by which a man lays himself open to a charge of political partisanship, to be an election officer and try to conduct an election regularly. I should like to have the minister's opinion, and I should like also the protest against the dismissal of this progressive and educated farmer, who has rendered good service to the farmers of my county and of that section of the country, on such flimsy charges as were made against him.

Mr. GUTHRIE: In answer to the last part of my hon. friend's remarks I believe it has been ruled by officials of the Department of Justice that it is not an act of political partisanship for a civil servant to act as a returning officer, but that it is an act of political partisanship to act as scrutineer or agent for either of the candidates.

Mr. BOULANGER: He was poll clerk.

Mr. GUTHRIE: I do not know whether or not the poll clerk question has been decided.

Mr. MACKENZIE (Vancouver): It is the same as a returning officer.

Mr. DUFF: A poll clerk is sworn to his duty. Would not the poll clerk be in the same position as the returning officer? Will the Minister of Justice give his opinion with regard to the poll clerk?

Mr. GUTHRIE: Yes, later on.

Mr. DUFF: No, now.

Mr. GUTHRIE: I do not know that I am called upon at this particular instant to make a statement, unless I wish to.

Mr. DUFF: Oh, the minister does not have to. I suggest, however, that he started this discussion in the answer he gave to the hon. member for Bellechasse. The minister went out of his way to say that as far as the returning officer was concerned there was no political appointment. Certainly as Minister of Justice he should be in a position to say what position the poll clerk occupies. Of course, he does not have to do it. Like a number of other ministers of the government his mouth has been closed all session. In fact I think the Minister of Justice is in agreement with the hon. member who has just spoken.

Mr. GUTHRIE: No, I have not agreed.

Mr. WEIR (Melfort): Did the hon. member say that the person who was dismissed was in the dairy branch?

Mr. BOULANGER: Yes, he was supervisor of dairy products.

Mr. WEIR (Melfort): My information is that he was in the live stock branch, not in the dairy branch.

Mr. MACKENZIE (Vancouver): According to the hon. member for Marquette there is no difference.

Mr. VENIOT: Last night I spoke about the butter question. I would not rise now to address the committee were it not for a statement made by the Minister of Agriculture about the policy of his department concerning the dairy industry in Canada. The minister has said that the policy of the government will be to endeavour to make production of the dairy industry as cheap as possible so that the producer may receive all possible benefit. I know I am not strictly in order when I touch upon the subject to which I am about to refer, but as the budget will be brought down on Monday next I wish to draw the attention of the Minister of Agriculture to the tariff placed in September last on fertilizers. Under the present tariff, fertilizer ingredients brought into this country to be mixed for use as fertilizer are duty free, but if they are imported to be used separately in the dairy industry a duty of 2 or 2½ cents per pound is imposed. The dairy associations of the maritime provinces have petitioned the government to look further into this matter and to place those ingredients on the basis they occupied before the introduction of the tariff item in September, 1930. I have before me a letter from the president of the Nova Scotia Dairymen's Association. That association passed a resolution last January protesting against the increased duty, and arising out of that resolution I received this letter, the latter part of which I shall read:

> The tendency of the tariff will be to kill cooperation in buying by giving the commercial company the advantage of us. You cannot call them a manufacturing company, because they do not manufacture, they only blend. By cooperation for ten years we were able last year to purchase two tons of fertilizer for less money than one ton cost us ten years ago.

The letter goes on to say that if this duty obtains, certain companies will be established in Canada whose only object will be to import the ingredients separately and blend them in Canada. In the province of New Brunswick the farmers' cooperative associations, especially in the counties along the river St. John, have been in the habit of importing these ingredients and blending them to suit themselves. To-day, because of the increased tariff, there is a company established in St. John in the blending business. The establishment of this company will interfere with the cooperative activities of the dairy farmers in New Brunswick as well as with the operations of the potato growers. The dairymen import acid phosphate separate from all other ingredients. Acid phosphate is used as a top dressing after the seed has been sown and the plant has grown about five or six inches. When acid phosphate is imported separately a duty of 2 or 2½ cents per pound is imposed. Because of that duty the cost of production is increased to the dairy industry, and I now ask the minister to look into the matter. Fertilizer comes under the control of his department and if there is some way of amending the tariff item so that the farmers who import acid phosphate separate from other ingredients will not have to pay the duty of 2 or 2½ cents per pound their difficulties will be greatly relieved.

Before taking my seat I should like to put a couple of questions to the minister. I do not expect answers to-night, but I would ask him to prepare the information to be supplied after the budget is brought down on Monday. How many fertilizer ingredients are manufactured in Canada, and what quantities of ingredients for mixing purposes as fertilizers are imported? My second question is: How many mixing plants are there in Canada?

Mr. WEIR (Melfort): Could the hon. member let me have those questions?

Mr. VENIOT: Yes, I shall.

Mr. DONNELLY: I wish to thank the Minister of Agriculture for having answered the questions I asked him before six o'clock. I wish further to thank him for having enunciated his policy in regard to the dairy producer, and especially for his remarks regarding the reduction of the costs of production. I wonder, however, how he intends to reduce the cost of production when he knows that in many parts of western Canada where mixed farming is practised the farms require fencing. I understand the government of which he is a member has placed a dumping duty on barbed wire so that we are paying a higher price for it than we did before. In western Canada the fencing problem is vital because in many parts of the west there is no lumber and the farmers find it necessary to buy barbed wire. When the price of barbed wire is raised the costs of dairy farming are raised. Since the government wishes to reduce the cost of production to western farmers I think they should not have been instrumental in raising the price of fencing.

Speaking this afternoon the former Minister of Agriculture referred to a report of the National Dairy Council. He referred especially to this part where Mr. Robinson said:

It was my privilege to join with Dean Barton of Macdonald college and Doctor Archibald of the Dominion experimental farms in the preparation of this report to the Minister of Agriculture.

Will the minister kindly tell the committee what this committee is doing. Is it still functioning?

Mr. WEIR (Melfort): I asked the committee to prepare a skeleton report that I might present it to a larger committee for a free discussion in connection with the whole matter.

Mr. DONNELLY: It has not reported yet?

Mr. WEIR (Melfort): No.

Mr. BOTHWELL: We have had considerable discussion over the National Dairy Council grant which is included in this vote of $295,000. Last session a similar vote was passed without any information as to what other items were included in it. It is said that last year's vote included new buildings. What new buildings were built last year, and what does the vote cover this year?

Mr. WEIR (Melfort): No buildings were erected last year.

Mr. BOTHWELL: What is included in the vote of $295,000 in addition to the $5,000 we have heard so much about?

Mr. WEIR (Melfort): This is an estimate only. It is impossible to give details of the expenditure until the end of the year. Some of the expenses are as follows:

1. Headquarters—$17,800.

This includes printing and stationery and supplies for offices outside Ottawa. Contingencies of various kinds and the $5,000 grant to the dairy council.

2. Grading of Dairy Produce—$162,300.

This includes salaries and travelling expenses of dairy produce graders at Charlottetown, Halifax, Quebec, Montreal, Belleville, Toronto, Stratford, Ottawa, Winnipeg, Saskatoon, Regina, Edmonton, Calgary, Vancouver.

In addition to these technical men there are a number of labourers employed and a clerical staff as well as some expenses in connection with the laboratory work needed to be done to help in the grading.

3. Cargo Inspection—$28,842.

This sum includes salaries and travelling expenses of 6 cargo inspectors, Montreal, and 5 in the United Kingdom, also cost and upkeep of thermographs and some incidental expenses. The work of these cargo inspectors is to see to it that proper care is taken in shipping our dairy produce under good conditions on steamers and to check up on the steamship companies both at shipping points and landing points.

4. Investigator—Weighing.
Butter and cheese—$2,800.
Salary and expenses.

5. Supervision of Condenseries—$3,860.

6. Dairy Market Reports—$4,785.
One inspector and expenses.

7. Refrigerator.
Car service.
Deficit on cars—$20,000.

Refrigerator car services for butter and cheese are operated by Canadian National Railways and Caandian Pacific Railway companies in Ontario and eastern provinces on condition that the department make up any deficits due to lack of sufficient business.

These deficits for this year are estimated at:
Butter—$11,500.
Cheese—$8,500.

8. Creamery Cold Storage Bonus—$4,500.

On condition that cold storage facilities acceptable to the department are provided in connection with creameries a grant of $100 is given to any creamery.

9. Plans—$200.

10. Dairy Research—$4,500.
This includes, laboratory supplies, raw material (butter, cheese, milk) and contingencies in connection with this work. Two technical men are employed.
11. Administration of Dairy Laws—$39,000.
This includes salaries of 10 inspectors and their travelling expenses as well as analysts' fees and counsel fees when prosecutions are necessary.
12. Milk Utilization Service—$6,200.
This amount includes costs of exhibits, express and freight charges to exhibitions, and costs in connection with special exhibits loaned to public health, nurses' and women's institutes.

Mr. BOTHWELL: Is the $100 granted to creameries to establish refrigeration facilities a continuation of an old policy or is it an innovation?

Mr. WEIR (Melfort): The policy has been in effect about twenty-five years.

Mr. MACKENZIE (Vancouver): How soon can the minister supply me with the information I desire with regard to the price at which Australian butter was released on the markets of Canada after the 21st of April? Can he furnish that information next week, because I want to know the price at which Australian butter was dumped on the Canadian market when the agreement was released or relaxed.

Mr. WEIR (Melfort): I will get the information as quickly as I can.

Mr. McMILLAN (Huron): When was the grant of $5,000 first made to the National Dairy Council?

Mr. WEIR (Melfort): In 1923. It was $3,000 first and was later increased to $5,000.

Mr. McINTOSH: What is the approximate amount for printing included in the $5,000, and what is it for?

Mr. WEIR (Melfort): That was under the heading "headquarters—$17,800." It includes printing, stationery and supplies for offices outside Ottawa, contingencies of various kinds, and the $5,000 grant to the dairy council.

Mr. MACKENZIE (Vancouver): When the Australian butter was released on the Canadian markets, did the department take steps to ensure that any special marks or brands were attached to the butter to differentiate it from Canadian butter?

Mr. WEIR (Melfort): We did not take any action different from that taken with respect to any other Australian butter brought into the country.

Mr. MACKENZIE (Vancouver): The consumer did not know what grade of butter he was buying?

Mr. WEIR (Melfort): Not as far as I know.

Mr. McINTOSH: In connection with the grant of $5,000 to the dairy council, it was stated from this side of the house this afternoon more than once that some of the money was being used for propaganda purposes.

I think those statements are very important, and will command a great deal of interest throughout the country. It would seem to me that before we vote this $5,000 to the dairy council for the furtherance of its work during the ensuing year, it should be definitely understood that none of this money is to be used in any part of Canada in the distribution of political propaganda. There seems to be an impression abroad throughout Canada—I know this to be the case in Saskatchewan and western Canada—that the dairy council carried on a political campaign in 1930. I am not saying whether or not that was so, but my point is that now it is up to the dairy council, if it is to work for the good of the dairy industry; if it is to get the cooperation it should get; if it is to carry on the organization work it should carry on and help build up this very important industry, definitely to clear its skirts with regard to the statements made from this side of the house this afternoon. Either the dairy council has used some of this money for political purposes or it has not. If it has not done so it will be good news to the farmers and the dairy interests of Canada, generally speaking, and that question should be cleared up.

I should like to impress upon the minister the importance of taking up this question personally with the dairy council. I am under the impression that this council has an executive, on which are representatives of all the provinces of Canada. Am I correct?

Mr. WEIR (Melfort): There are thirty-three members, from whom the executive is selected.

Mr. McINTOSH: Then it is a typical national organization, and I should like to see the minister take up personally with the executive this question which has been raised, placing before the executive the debate which has taken place in parliament. I think the minister should impress upon the executive the significance of these remarks, and ask them to make the necessary explanation, not only to parliament but to the country as a whole, as to their position in this regard. I am sure if that question is cleared up, in future this vote will not have to undergo the gruelling fire it has been subjected to

during the last two or three days. While the charge is hanging over the National Dairy Council that they have been implicated in political work and linked up with one political party as opposed to the other political party in Canada, I believe the first duty of the minister is forthwith to place before that council this whole debate and ask them to make the necessary explanation to parliament and to the country.

Mr. McMILLAN (Huron): Mr. Chairman, this is a very important question, but before dealing with it I should like to say a word in regard to a question of very serious moment to the dairy industry of the province of Ontario and of the dominion as a whole. I refer to the question raised by the hon. member for South Perth as to the mergers being formed in connection with this industry. Let me read an associated press report, as follows:

Huge Milk Merger Involving Millions Finally Completed

Tillsonburg, January 23, 1930.

The amalgamation of several of the world's largest milk products firms was officially announced here to-night by A. H. Terk, General Superintendent of the Canadian Milk Products Company, Limited. Included in the combine are the Borden Milk Company of Canada, and the United States; the Merrill-Soule Company of England, and the United States and the subsidiary companies of both firms in the United States and Canada.

Although full details in connection with the merger, the largest of its kind to be consummated, were not available to-night, the amalgamation is understood to involve millions of dollars.

The Canadian Milk Products Company, of which Mr. Terk is head, is one of the subsidiary units of the Merrill-Soule Company. In an interview the official said that the Canadian company will continue as a separate unit, and will be, as in the past, a subsidiary of the major company.

Confirmed in Toronto

Benjamin J. Gould of Toronto, President of the Canadian Milk Products Co., Vice-President of the Merrill-Soule Company, confirmed the report when questioned by The Globe last night.

He intimated that while the final official completion of the merger had not been brought about that the amalgamation of the various milk products companies was really settled some days ago.

Mr. Gould was unwilling to go into the details of the merger or divulge the amount of money involved. "It simply means," said he of the despatch, "that we have sold our business."

I should like to quote another extract from the Toronto Globe of March 29, 1930:

The Borden Company has completed negotiations for acquiring seven additional companies, according to the application for listing 44,955 additional shares of its common stock on the New York stock exchange, approved.

The companies include Walkerside Dairy, Limited; Windsor City Dairy Limited; Ballantyne Dairies, Limited, and the assets of W. T. Westgate, all of Canada; the Hildebrecht Ice Cream Company of Trenton, N.J.; the Dairy Products Company of Dayton, Ohio, and Curran and Fox of Oak Park, Ill.

Walkerside Dairy, Limited, operates thirty-two milk routes in Windsor, Ont., and the Borden Company is paying 14,000 shares for its entire issued stock. The business of the other companies and the shares to be paid for them are: Windsor City Dairy, Limited, milk, butter and eggs, Windsor, Ont., 7,250 shares; Ballantyne Dairies, Limited, 20 routes for distributing milk, butter and eggs, in East Windsor, Ontario, 2,745 shares; W. T. Westgate, wholesale ice cream manufacturer and distributor in Windsor and East Windsor, 3,250 shares; Hildebrecht Ice Cream Company, wholesale ice cream manufacturer and distributor, 7,000 shares; the Dairy Products Company, general dairy business in and around Dayton, 8,000 shares, and Curran and Fox, retail milk business in Oak Park, Ill., 2,350 shares.

The remaining 360 shares in the listing application are for brokerage commissions in connection with certain acquisitions.

From information I have received from one source and another during the last eighteen months I feel this to be a question of extreme importance to the dairy interests of this country. My hon. friend the ex-Minister of Agriculture said this afternoon that since we are on an export basis, many of these units may not be producing that quality of product which is necessary if we are to ship our goods to the British market, and he suggested that possibly it would be an advantage to the dairy industry if our units were larger than they are at the present time. However, with respect to these mergers I think the government, and particularly the Department of Agriculture, should gather all the information available before anything is done along the lines suggested by the ex-Minister of Agriculture.

With respect to the grant to the National Dairy Council, I would not think of saying anything at all against the officials of that organization. I have known the secretary of the council for at least thirty-five years. I believe it is at least that long since he and I went around the province of Ontario together attending meetings of farmers' institutes, and I have always found him to be a gentleman of honour and ability. I have discussed this matter with him time after time, and always I have taken the stand which I have taken also in my discussions with the ex-Minister of Agriculture. When he said this afternoon that he would not be bottled up any longer, I thought the time had come

for someone to remove the cork from his opinions. A year ago there was considerable divergence of opinion on the part of hon. members opposite when they occupied this side of the house during the debate on the grant. I had discussed the matter with the then Minister of Agriculture in his own office, and I even came forward and sat beside him and asked him for God's sake to withdraw the vote when he had an opportunity to do so. But he is like some of the rest of us: when he gets an opinion into his head it is pretty hard to move him.

With respect to this grant, it is my opinion that no money should be given from the treasury of this country to any institution of this kind. Besides the National Dairy Council of Canada, I believe there is only one other organization in this country which has shown its hand before the tariff board, and we might with the same degree of freedom suggest that similar grants be made from the treasury of Canada to the Canadian Manufacturers' Association or the consumers league. In my view, no institution which is receiving government money should be given the opportunity to spend it in that way. I discussed the matter with the officials and they told me that they would be unable to carry on their work if it were not for the grant. At that time, according to my information, they were working in the manner outlined by the ex-Minister of Agriculture, in an effort to abolish the manufacture and sale of oleomargarine. And they were not getting a grant from the government.

The statement has been made that no hon. member on this side of the house will dare to rise in his place and express himself as favourable to the late Australian agreement. That agreement, I may say, was in force when I came to this house as the member for South Huron, and I came here with a feeling of prejudice against the agreement in its effect upon the dairy industry of Canada. It was only after my coming here, and when the discussion became heated, that I decided to study the whole question for myself; and when it was known that I was engaged in that study no one was more interested than the Minister of Finance of that day, the late Hon. J. A. Robb. At the first opportunity he had of meeting me after that he asked my opinion about the treaty. It happened to be the day I had completed my study of the situation. Of course, his first question was, "What is your opinion?" I had been able to get all the information that was available from any source and I told him that up to that time the Australian agreement, in my opinion, had not been injurious to the dairy industry of Canada. And I stand here to-night and say the same thing. Repeatedly I have placed on Hansard the figures for each year, showing the effects of that agreement. Those figures I believe to be authentic. After my study of the matter had been completed I received a letter from the dairy commissioner, congratulating me upon the result of my investigation. He said that no one needed to go behind the facts which were disclosed in the speech I made as reported in Hansard on the 7th of June, 1928. And up to the opening of this house on March 12, neither the information contained in that address nor the information contained in the speech I delivered, as reported in Hansard of March 18, 1930, has ever been questioned on the floor of the house. No one can study the markets of Great Britain and question the facts as I have outlined them. Great Britain is the world market; it has always been the great world market; and before the introduction of the Australian agreement it was the great price-regulating market of the world. Watch the British market from that day to this; watch it during the year 1931; consult the reports contained in the commercial intelligence pamphlets; take all these facts into consideration and you will find that during the year 1930 the dairy industry in Great Britain was in anything but a satisfactory condition. And the only reason why Australian and New Zealand butter has been coming into this country is that those dominions realized that it was the best market they could find. They could take their butter cheaper to Great Britain than they could bring it here, and it would certainly go there if the price were better than in Canada.

Mr. MOTHERWELL: When the committee resumed at eight o'clock we were in hopes that we should be able to get this vote through and possibly the next one. But the minister has made a statement this evening which makes it impossible for the item to go through. He said that he did not wittingly withhold any information from the committee. The whole difficulty consisted in the different parties securing their figures from different sources. Well, for four days we have been endeavouring to get certain information, and the hon. gentleman is not conscious of having wittingly withheld it. Has he been in a trance all these four days, that he did not know what he wanted?

Mr. WEIR (Melfort): It is nearly eleven o'clock. I move that the committee rise and report progress and ask leave to sit again.

Mr. MOTHERWELL: Very good; that will suit me.

Progress reported.

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

Monday, June 1, 1931

The house met at three o'clock.

BARDER DIVORCE BILL

The clerk of the house laid on the table the report of the clerk of petitions stating that he has examined the following petition presented on the 29th day of May, and finds that the time for receiving petitions for private bills under standing order 92 having expired, it should not be received:

Of Annie Bick Barder, of Montreal, Quebec, now residing in London, England; praying for the passing of an act to declare her marriage with Kenneth C. Barder, of Montreal, to be dissolved and that she be divorced from him.—Mr. Heaps.

Mr. A. A. HEAPS (North Winnipeg): moved:

That the petition of Annie Bick Barder, of Montreal, Quebec, now residing in London, England, praying for a bill of divorce from Kenneth C. Barder, of Montreal, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing order 92 in relation thereto.

Motion agreed to.

J. ARTHUR BERNIER

SUPPLEMENTARY RETURN TO ORDER OF THE HOUSE

Hon. E. B. RYCKMAN (Minister of National Revenue): Referring to the inquiry on Thursday last of the hon. member for St. Denis (Mr. Denis), concerning return No. 277, the return as brought down includes a copy of all the documents on the official departmental record relative to the retirement of Mr. J. A. Bernier, inspector of customs and excise at Montreal. On making inquiry, however, it has been ascertained that the chief inspector was advised verbally and confidentially that Inspector Bernier's expense accounts were inaccurate, and in order to ascertain the facts the chief inspector instructed Inspector C. E. Lafontaine by letter to make a confidential investigation. A copy of the chief inspector's letter and of Inspector Lafontaine's confidential reply are now produced.

The officials who prepared the return had no knowledge of the correspondence on the chief inspector's file.

[Mr. Motherwell.]

PRIVATE BILLS

FIRST READING

Bill No. 77, respecting the construction and maintenance of a bridge over the St. Lawrence river between the island of Orleans and the coast of Beaupré, in the province of Quebec.—Mr. Dorion.

FIRST READINGS—SENATE BILLS

Bill No. 75, for the relief of Barbara Wallace Barlow.—Mr. Factor.

Bill No. 76, for the relief of Ray Finkelstein.—Mr. Factor.

TOBACCO IMPORTS AND EXPORTS

COMPLETION OF ANSWER TO QUESTION ASKED BY MR. GOTT

Hon. C. H. CAHAN (Secretary of State): As requested by the hon. member for South Essex (Mr. Gott), I now table supplementary answer to question answered on the 4th May, 1931, as it appears in Hansard at pages 1233 and 1234.

Mr. GOTT:

1. How many pounds of tobacco, raw leaf, were imported into Canada for the 12 months ending March 31, 1931: (a) from the United States; (b) from other countries?

2. How much manufactured tobacco was imported for the same period from all countries?

3. How much excise tax was collected on cigarettes for the year ending March 31, 1931?

4. How much in excise or other taxes was collected by the government of Canada, all branches, from the tobacco industry, all branches, for the same period?

5. How much tobacco was exported from Canada during the same period?

6. To what countries was it exported?

Mr. CAHAN:

1. Canada's imports of tobacco, unmanufactured, by countries, for the year ended March 31, 1931, were:

Countries	Pounds	$
(a) United States	15,092,356	4,335,903
(b) Other countries—		
Argentina	8	4
Belgium	15,552	8,232
Brazil	157	53
Bulgaria	607	273
Cuba	1,179,884	923,340
Germany	3,109	1,605
Greece	10,735	5,155
Italy	50,604	18,790
Netherlands	68,616	81,501
Dutch East Indies	83,809	76,701
Russia	306	105
Spain	5	5
United Kingdom	74,646	37,282
(b) Other countries	1,488,038	1,153,046
Total imports	16,580,394	5,488,949

2. Canada's imports of tobacco, manufactured, by countries, for the year ended March 31, 1931, were:

Countries	Pounds	$
Aden	16	29
Alaska	84	101
Belgium	201	1,011
British South Africa	100	57
British West Indies—		
Jamaica	496	2,859
Other Br. W. Indies	68	288
China	7,680	2,562
Cuba	12,955	92,429
Egypt	513	2,681
Finland	54	107
France	715	737
Germany	5	7
Hong Kong	18,451	6,644
Irish Free State	25	77
Netherlands	64	40
Dutch East Indies	15	25
Newfoundland	42	24
Norway	30	23
United Kingdom	189,450	620,883
United States	176,211	244,214
Total imports	407,175	974,798

3. There is no excise tax on cigarettes as in the case of cigars. There is a consumption or sales tax of 1 per cent on cigarettes but the amount collected is not available as separate statistics for each commodity are not maintained. Excise duty collected on cigarettes during the fiscal year ending March 31, 1931, $30,499,222.84.

4. $631,236.90—Import duty, $42,489,989.38. This amount includes the excise tax on cigars in addition to the excise duty on all tobacco, including cigars.

5. Canada's domestic exports of tobacco for the year ended March 31, 1931, were:

Classification	Pounds	$
Unmanufactured tobacco—		
Burley	2,357,496	417,661
Bright, flue-cured	1,515,363	660,544
Dark, air and fire cured	2,021,571	403,831
Other unmanufactured tobacco	156,889	23,558
Stems and cuttings (tobacco)	576,200	4,840
Manufactured tobacco—		
Cigars	1,556	3,631
Cigarettes	282	387
Plug and twist	15,343	8,452
Other manufactured tobacco	247,805	50,201
Total tobacco	6,892,505	1,573,105

6. Canada's domestic exports of tobacco, by countries, for the year ended March 31, 1931, were:

Countries	Pounds	$
Unmanufactured tobacco to		
Belgium	949,829	70,213
Canary islands	32,510	1,300
China	41,999	4,457
Denmark	11,070	941
France	110	24
Germany	10,203	575
Malta	2,418	242
Netherlands	133,958	9,371
Nigeria	16,435	657
St. Pierre & Miquelon	200	61
Switzerland	27,649	1,217
United Kingdom	4,820,202	1,415,103
United States	4,736	1,433
Total exports	6,051,319	1,505,594
Stems and cuttings (tobacco) to		
United Kingdom	20,000	813
United States	556,200	4,027
Total exports	576,200	4,840
Manufactured tobacco to		
Australia	28	119
Barbados	120	72
Belgium	57	77
Bermuda	318	200
British South Africa	17	39
Ceylon	7	24
China	227,610	33,092

Countries	Pounds	$
Manufactured tobacco to		
Denmark	4	9
France	4	7
Hong Kong	5	9
Jamaica	1,041	707
Japan	2,525	1,277
Newfoundland	26,480	17,506
New Zealand	649	905
Panama	12	15
St. Pierre & Miquelon	245	263
Switzerland	356	488
United Kingdom	206	363
United States	5,320	7,499
Total exports	264,986	62,671

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF RIGHT HON. R. B. BENNETT, MINISTER OF FINANCE

Right Hon. R. B. BENNETT (Minister of Finance) moved:

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

He said: Mr. Speaker, in moving that you do now leave the chair for the purpose of enabling the house to resolve itself into a committee of ways and means to make good the supply to be granted to His Majesty for the twelve months ending March 31, 1932, I will follow the traditional practice of making a general survey of the financial and business operations of the Dominion during the last fiscal year. I will also indicate the ways and means which the government proprose to utilize in providing the necessary revenues to meet the appropriations made by Parliament. I shall discuss these matters under five heads:

1. The financial operations of the Dominion for the fiscal year, April 1, 1930, to March 31, 1931.

2. The balance sheet of the Dominion on March 31 last showing assets active and nonactive and liablities direct and indirect.

3. Trade and commerce.

4. The estimated revenue and expenditures for the twelve months ending March 31, 1932.

5. The ways and means which will be adopted for the purpose of providing the necessary revenues to meet the proposed expenditures.

[Mr. Cahan.]

FINANCIAL OPERATIONS DURING FISCAL YEAR 1930-31

The period of national financing under review is the twelve months from April 1, 1930, to March 31, 1931. This was a period of sluggish commercial activity, with commodity prices steadily declining throughout the world. The consequences are shown in the Dominion's balance sheet, for eighty-three per cent of the consolidated fund receipts in 1930-31 was derived from taxation, the major portion being obtained by ad valorem assessments on the monetary value of business transacted. Therefore, the revenue collections from every tax, with one exception, were substantially less than in the preceding year. The exception was the income tax, where the assessment was on earnings and profits made in the calendar year 1929. To find a parallel to the revenues in the past fiscal year, it is necessary to turn back ten years to the fiscal year 1921-22, and in that year the revenues were $26,000,000 greater than the collections in the past fiscal year.

On the expenditure side, comparatively little advantage could be taken of declining commodity prices. This is due to the fact that fixed and uncontrollable charges constitute so large a proportion of the expenditures. The interest on the national debt was over 121 millions; war pensions amounted to 46 millions, and other uncontrollable expenditures absorbed an additional $36,895,000. To these may be added the cost of civil government and other services where a somewhat lengthy time lag exists before declining commodity prices are reflected in reduced costs. These services involved an expenditure of 78 millions. In other words, 282 millions were expended during the year without the government gaining any offsetting advantages from the causes which brought about such substantial decreases in revenues.

Taxation Revenues

The major source of Canadian revenue is the customs tariff which last year produced 131 millions of dollars. This was 48 millions less than in the preceding year. A study of the imports of Canada during the period indicates that there was a substantial decline in the importations of nearly all commodities. One of the chief sources of customs revenue is the duty collected on alcoholic beverages, and in the year under review the revenue thus derived was 20 millions, as compared with 25 millions in the preceding year.

Recently our customs receipts have shown less fluctuation and the daily decreases are not

so substantial as in the last fiscal year, when the monthly decreases, as compared with the previous year were:

Month	Decrease	
April, 1930	$3,591,000	
May	5,300,000	
June	2,884,000	
July	4,356,000	
August	4,919,000	
September	3,115,000	
		$24,165,000
October	6,408,000	
November	4,117,000	
December	3,424,000	
January, 1931	2,687,000	
February	3,766,000	
March period	3,653,000	
		24,055,000
		$48,220,000

The decrease during the first six months of the fiscal year was $24,165,000; during the last six months of the fiscal year it was $24,055,000.

It will be recalled that the tariff changes made at the special session came into effect during September although in certain cases, where uncompleted contracts were outstanding, the new rates were not levied until several weeks later. A comparison of the customs revenue for the two six-months' periods has this significance, that the changes did not make any material reduction in the receipts during the two six-months' periods of the year.

Excise Duties.

The excise duties are largely assessments on alcoholic beverages and tobaccos manufactured in Canada. The total collected during the year was $57,700,000. During the year excise collections on tobacco remained practically stationary at about 42 millions. Of the amount, duties on cigarettes produced $30,500,000. There was a decline of over $7,000,000 in excise duty collections on alcoholic beverages produced in Canada. On and after the 1st of July, 1930, clearances were denied to vessels having on board any intoxicating liquors destined for delivery in any country into which the importation of such liquor was prohibited. The enforcement of this law to a great extent explains the decline in the excise revenues.

Income Tax

The income tax ranks first in productivity amongst the war taxes and produced 71 millions in the year. As a matter of fact, this sum has been exceeded only once since its imposition and that was in the fiscal year 1921-22. It is a case of history repeating itself. The fiscal year 1922 was also a dark one in respect to total revenues, but income tax assessments were on the earnings and profits of 1920, the peak year of the post-war boom. In the past year total revenues were again reduced, but income tax assessments were levied on the earnings and profits of a peak year, that of the stock market boom. Of the $71,048,000 of income tax collected, $26,600,000 was paid by individuals and $44,400,000 by corporations. In the fiscal year 1921-22, when $78,600,000 was received, individuals paid $39,820,000 and corporations $38,863,000.

Sales Tax

No tax more quickly reflected the declining commodity prices than did the sales tax. The shrinkage in the volume of business transacted, coupled with the decrease in values, made it apparent at the beginning of the calendar year 1930 that with business shrinking and sales contracting, the sales tax could not be depended upon to produce revenue to the same degree as in the previous year. This loss, instead of being compensated by an increase in the rate when the budget was brought down on May 1st, 1930, was aggravated by the rate being reduced from 2 per cent to 1 per cent. The result was a decline of over 24 millions in sales tax revenues during the year under review, the collections being somewhat over 20 millions, as compared with 44 millions in the previous year. It is perhaps desirable to point out that a change has been made in the accounting methods this year in respect of sales tax. Commencing in the fiscal year 1924-25 the payments made in April by licensees on sales made in the old year were credited to the fiscal year then last ended. This practice was not in harmony with that followed in respect of other public revenues and has been discontinued. Had it been followed, the revenues from sales tax credited to 1930-31 would be approximately $1,700,000 greater.

Tax Summary

The other taxes represent small amounts, being, not infrequently, paid by the use of excise stamps, and are difficult to allocate. A statement of the revenue received from taxation for the last five years follows:

	1926-27	1927-28	1928-29 (000 omitted)	1929-30	1930-31
Customs	$141,969	$156,986	$187,206	$179,430	$131,209
Excise	48,513	57,401	63,685	65,036	57,747
War tax revenue—					
Banks	1,175	1,225	1,243	1,408	1,429
Trust and loan companies	335	345	8	....	....
Insurance companies	948	999	895	74	74
Business profits	710	956	455	173	34
Income tax	47,386	56,571	59,422	69,021	71,048
Sales tax	82,306	72,100	63,646	44,859	20,785
Tax on cheques, transportation tax, etc	23,307	18,123	19,361	18,550	13,950
Total receipts from taxation	$346,649	$364,706	$395,921	$378,551	$296,276

Public Service Revenues

The sum of $53,000,000 was collected by way of revenues from public services maintained by the government. The main contributor was the Post Office Department. The gross collections for postal services were $37,500,000 and the net revenues $30,200,000. Compared with the previous year, there was a decrease of $3,100,000 in the net revenues. On the expenditure side the postal service costs were $36,300,000, an increase of $1,300,000. Therefore, the fiscal year ended with the Post Office Department showing a deficiency of $6,100,000. To achieve an absolute calculation of the department's operations, a substantial sum, representing the expenditures of the Public Works Department for equipment, buildings, maintenance, etc., necessary for the handling of mails throughout Canada, would have to be added. On the other hand, the department is entitled to a substantial credit for the handling of government mail.

Interest on investments realized $10,400,000. Of this, $2,000,000 was on sinking funds and $1,299,000 on loans to Roumania and Greece, which were made during the war period. The harbour commissions, other than Quebec, paid $3,492,000 in interest on the $88,600,000 loaned by the dominion to them. The major reduction in revenues under this group heading was in the interest paid by the chartered banks for advances under the Finance Act, although the amount collected was $15,000 in excess of the collections in 1928. In 1929-30 the banks paid $2,234,000, while in 1930-31 the payments were $539,000.

The transfer of the natural resources to the western provinces materially reduced revenue from dominion land, there being a decrease from $4,139,000 to $1,655,000 in the year under review.

A division of the 43 millions of revenues from the public services, by sources, is:—

Revenue

—	1926-27	1927-28	1928-29	1929-30	Estimated 1930-31
Non-Tax Revenue—	$	$	$	$	$
Canada Grain Act	2,582,984	2,677,877	2,992,540	2,047,207	2,179,047
Canada Gazette	68,312	81,243	80,214	93,890	71,197
Canals	961,694	1,355,677	1,230,333	1,043,647	1,026,671
Casual	3,310,633	3,626,236	4,041,095	4,300,710	3,685,000
Chinese Revenue	13,228	14,179	18,224	14,345	21,996
Dominion Lands	3,327,273	3,688,595	4,070,339	4,139,104	1,655,401
Electric Light Inspection	538,917	563,913	563,964	546,957	632,151
Fines and Forfeitures	504,310	568,140	655,485	748,343	433,712
Fisheries	175,213	119,144	109,300	110,724	73,937
Gas Inspection	76,880	85,716	92,398	100,763	94,255
Insurance Inspection	120,334	123,768	131,626	138,780	148,942
Interest on Investments	8,559,401	10,937,822	12,227,562	13,518,205	10,421,225
Marine	264,083	191,564	182,810	184,637	186,892
Mariners' Fund	195,080	222,048	236,808	209,322	201,768
Military College	18,239	20,232	20,204	19,820	19,882
Military Pension Revenue	128,387	128,017	155,830	158,881	158,872
Ordnance Lands	29,703	14,206	24,830	30,277	29,384
Patent and Copyright Fees	517,930	495,792	530,239	574,918	559,646
Penitentiaries	170,338	177,933	178,449	181,024	183,288
Post Office	29,069,169	31,562,580	30,611,964	33,345,385	30,212,326
Premium, Discount and Exchange	649,337	594,211	568,846	531,366	521,078
Public Works	422,864	395,281	414,085	408,151	374,500
Royal Can. M.P. Officers' Pension	8,769	6,144	6,373	6,471	6,357
Superannuation Fund	392	172	81	5	.....
Weights and Measures	333,034	361,690	399,247	407,248	419,750
Total Non-Tax Revenue	52,046,504	58,012,180	59,542,846	62,860,180	53,317,277

[Mr. Bennett.]

The consolidated fund receipts may now be summarized. In the fiscal year just ended these amounted to $349,593,000, as compared with $441,411,000 in 1929-30. In other words, there was a decrease of $91,818,000.

Special Receipts

During the year certain special receipts came into the treasury which must be added before the total revenues for the year are given. The most important of these were the payments received on reparations, amounting to $6,500,000. This was a larger sum than had been received in the preceding year, due to the success of the German international 5½ per cent loan 1930 making it possible for the creditor countries to receive a cash payment on future reparations account. Canada's share thus acquired was $2,173,000. The acceptance of the plan involved the establishment by Canada of a small credit, amounting to $272,000, in the Bank of International Settlements. This has been done. The amount received on ordinary reparation account was $4,395,000.

Adding these special receipts to the consolidated fund, revenues for the year make a grand total of $356,215,000, as compared with $446,182,000 in the preceding year, a decrease of $90,000,000. A comparison of revenues for the past five fiscal years is:

	1926-27	1927-28	1928-29 (000 omitted)	1929-30	1930-31
Receipts from taxation	$346,649	$364,706	$395,921	$378,551	$296,276
Non-tax revenue	52,046	58,012	59,543	62,860	53,317
Consolidated fund receipts	398,695	422,718	455,464	441,411	349,593
Special receipts	1,934	7,129	5,476	4,771	6,622
Grand total revenues	$400,629	$429,847	$460,940	$446,182	$356,215

EXPENDITURES

The past fiscal year was marked by substantial increases in the expenditures for the public service. Some of these increases were to provide for new services or undertakings, others were a consequence of statutory enactments causing greater demands to be made upon the treasury. Apart from certain expenditures in connection with unemployment relief, those incurred on authority of governor general's warrants and some items approved by parliament on the closing days of the fiscal year, all expenditures were incurred on the authority of the previous administration.

Ordinary Expenditures

Ordinary expenditures for the year were $394,000,000, as compared with $357,780,000 in the fiscal year 1929-30. This was an increase of $36,220,000, the more important items which show increases being:

Subsidies to provinces	$4,900,000
Department of Indian Affairs	700,000
Old age pension	4,100,000
Lighthouse and coastal services	500,000
Air services	1,225,000
War pensions	5,550,000
Treatment and after-care of veterans	1,280,000
Post Office	1,265,000
Public Works	5,640,000
Maritime Freight Rates Act	2,925,000
Department of Trade and Commerce	1,690,000
Unemployment relief	4,432,000

There was an increase in the subsidy paid to Manitoba of $4,970,027.62, as provided by legislation in connection with the transfer of natural resources to the province. The transfer of the natural resources made no change in the annual subsidy payments to the provinces of Alberta and Saskatchewan, although the dates of payments have been changed from March 1 and September 1 to January 1 and July 1.

The increase of expenditures, amounting to $700,000, in connection with the Department of Indian Affairs, falls under two heads. During the year $2,750,000 was spent in the construction of schools, which is $424,000 more than in the preceding year. For the relief of destitute Indians, the providing of hospitals and medical services, an additional $220,000 was expended.

The major increase in expenditures on account of old age pensions was due to larger payments being made in the province of Ontario. The act, during the fiscal year, applied to five provinces, and, in addition, small expenditures were made in the North West Territories. A statement of the expenditures, by provinces, is:

	1929-30	1930-31
Ontario	$ 355,829	$3,516,806
Manitoba	427,143	652,804
Saskatchewan	333,287	585,941
Alberta	62,555	320,225
British Columbia	357,801	580,804
North West Territories	558	1,562
	$1,537,173	$5,658,142

The increase of slightly over $500,000 in the lighthouse and coast services was mainly due to the purchase of a lighthouse boat to be used in connection with the St. Lawrence

river channel. The expenditures on that account, together with the purchase and erection of new lights, amounted to $480,000.

The increase of over $1,200,000 in air services falls under three headings. In connection with air services generally there was an increase of $394,000: for civil air services $387,000, and for air mail routes $494,000. The sum of $180,000 was expended in connection with the airport at Trenton, Ontario, and the establishment of new air mail routes made it necessary to establish and maintain new landing fields at various points throughout Canada. Other expenditures, due to increased use being made of the services of the air division, involved greater expenditures for supplies and equipment and also made it necessary to increase the personnel.

There is a unanimous sentiment that Canada shall provide adequately for those who served and suffered during the war, and annually the amount expended on account of pensions and after-care of veterans increases. In the year under review pension payments increased $5,558,000, and after-care accounts by $1,280,000, thus making a total expenditure on these two accounts of over 55 millions in the year under review. Since the outbreak of hostilities the dominion has paid $460,000,000 on account of European war pensions, and 182 millions for treatment and after-care of returned soldiers. In addition, sundry expenditures on account of soldier land settlement adminstration, battlefield memorials, the Imperial War Graves Commission, etc., amount to $29,000,000. These items of expenditure reached a grand total of $671,000,000 to the close of the fiscal year.

The increase of expenditures amounting to $1,265,000 on post office account may be divided into three groups. Approximately $322,000 was expended in settling overdue accounts with the printing bureau. These overdue accounts had accumulated over a series of years, and at the close of the fiscal year a supplementary estimate was authorized by parliament to bring the accounts into balance. An increase of $570,000 in expenditures was due to the extension of air mail services, and $375,000 was spent in salary increases, mainly to those in the outside service.

The expenditures on ordinary account by the Public Works department were $5,600,000 in excess of the expenditures in the previous year. Of this, the additional expenditures in connection with the erection and improvement of public buildings amounted to $3,425,000. On harbour and river works expenditures showed an increase of $2,100,000 as compared with the previous year.

[Mr. Bennett.]

The expenditures in respect to the Maritime Freight Rates Act in 1929-30 were $7,400,000, and in the year under review they were $10,327,000. The increase divides itself under two heads: $627,000 was an account carried forward from the previous fiscal year, having been received too late to be included in the accounts for that year, and the balance, $2,300,000, represented the additional amount payable as provided by the act for reductions in tolls and deficits on eastern lines.

The expenditures in respect to penitentiaries increased by $676,000. During the year the penitentiary population increased 527, thereby requiring larger staffs and supplies. Of the increase, $125,000 represents expenditures in connection with the erection of a new institution which was established during the year.

The Department of Trade and Commerce administers the Canada Grain Act, and during the year there was an increase of $1,085,000 in its expenditures over those of the previous year in connection with the providing of elevators at Lethbridge, Moose Jaw and Saskatoon. An additional $100,000 was spent on national research and $126,000 in connection with the Canadian display at the exhibition at Buenos Aires.

The special session of September last provided for the expenditure of $20,000,000 to relieve unemployment. As a result, at the close of the fiscal year, the contracts initiated in consequence of this legislation amounted to $69,690,948, and at the end of March, 248,000 persons were employed. However, at the close of the fiscal year only a small portion of the total expenditures authorized had been presented for payment. In all, $4,431,000 was actually paid, the money being disbursed as follows:

Alberta	$ 186,600 17	
British Columbia	259,040 82	
Manitoba	305,638 53	
New Brunswick	250,233 67	
Nova Scotia	62,066 05	
Ontario	1,219,433 18	
Prince Edward Island	21,529 88	
Quebec	319,452 87	
Saskatchewan	535,698 95	
Yukon	20,000 00	
		$3,179,694 12
Canadian National Ry.	352,961 82	
Canadian Pacific Ry.	345,420 00	
Grade Crossing Fund	500,000 00	
Parks Branch, Interior	36,996 81	
		1,235,378 63
Administration		16,582 32
		$4,431,655 07

May I add the records show that at the end of April employment had been given to 25,000 additional persons as compared with those employed on March 31.

A statement of the expenditures, by services, on ordinary account for the last five fiscal years now follows:

Expenditures

Items	1926-27	1927-28	1928-29	1929-30	Estimated 1930-31
Consolidated Fund Expenditure—	$	$	$	$	$
Finance—					
Interest on debt	129,675,367	128,902,945	124,989,950	121,566,213	121,289,844
Subsidies to provinces	12,516,740	12,516,740	12,553,725	12,496,959	17,435,736
Charges of Management	963,252	884,532	923,363	1,015,766	920,136
Premium, Discount and Exchange	24,013	42,233	67,254	72,976	19,477
Superannuation No. 1 (Act of 1870)	677,692	625,005	577,661	531,253	492,101
Superannuation No. 3 (Printing Bureau)	20,789	19,038	17,792	15,930	14,413
Superannuation No. 4 (Act of 1920)	770,121	723,825	671,611	631,293	592,846
Superannuation No. 6 (Widows' Annuities)	.....	130,946	140,570	142,708	140,167
Civil Government	10,865,757	11,576,140	11,819,981	12,258,009	12,628,562
Agriculture	5,838,941	6,487,766	7,201,566	9,286,746	9,143,977
Fisheries	1,437,179	1,751,147	1,974,118	2,274,294	2,261,817
Immigration	2,338,992	2,704,698	2,631,967	2,757,331	2,255,249
Indian Affairs	3,869,394	4,199,541	4,598,292	5,134,553	5,866,219
Interior—					
Dominion Lands and Parks	4,251,663	4,082,752	4,986,962	5,479,835	4,967,569
Scientific Institutions	717,000	733,919	793,594	816,515	817,052
Government of N.W. Territories	233,541	249,642	317,725	434,789	545,605
Government of Yukon Territory	189,120	178,511	184,181	186,374	201,451
Justice—					
Administration	2,201,141	2,190,810	2,203,209	2,198,909	2,214,268
Penitentiaries	1,685,556	1,755,763	1,807,655	2,561,115	3,236,816
Labour—					
Technical Education	1,047,536	965,955	1,152,165	413,287	391,397
Old Age Pensions	.....	131,452	832,687	1,537,173	5,658,143
Administration, etc	404,879	313,620	364,819	415,939	509,980
Legislation—					
Senate, House of Commons, etc	2,699,262	1,995,707	2,264,008	2,292,633	2,427,781
Elections	1,844,536	45,485	62,454	26,292	2,234,767
Marine—					
Ocean and River Service	2,566,730	3,749,105	3,683,256	5,136,332	3,638,911
Lighthouse and Coast Service	2,463,558	2,771,031	2,812,900	2,874,623	3,391,875
Scientific Institutions	243,233	270,276	287,908	316,706	367,620
Steamboat Inspection	121,961	131,065	141,485	140,253	143,763
Mines	558,695	624,184	679,179	805,748	789,327
National Defence—					
Militia Services	9,141,220	10,151,975	11,044,334	11,032,749	10,979,659
Naval Service	1,597,407	1,702,225	1,836,488	3,013,396	3,597,591
Air Services	2,197,645	3,891,861	5,040,505	5,920,670	7,151,163
General Services	149,779	116,199	102,735	226,952	103,562
Government of N.W. Territories	137,779	142,736	138,715	140,161	217,521
National Revenue	10,130,430	11,801,331	12,876,760	13,130,611	13,206,442
Pensions, War, etc	37,902,939	39,778,130	41,487,323	40,406,565	45,964,868
Pensions and National Health—					
Treatment and after care of returned soldiers	6,976,762	6,958,811	7,901,957	8,494,277	9,775,228
Health	695,219	771,435	924,003	1,021,371	943,384
Post Office	31,007,698	31,782,968	33,483,059	35,036,629	36,292,604
Public Works—					
Charges to Income	11,178,054	14,037,366	17,003,254	18,134,359	23,763,284
Charges to Collection of Revenue	918,580	942,544	939,985	924,110	936,020
Railways and Canals—					
Maritime Freight Rates Act	.....	3,471,401	7,177,538	7,401,034	10,327,457
Other Charges to Income	1,581,688	2,366,744	1,120,376	1,279,867	1,199,560
Charges to Collection of Revenue	2,152,015	2,535,361	2,405,272	2,459,990	2,911,228
R. C. M. Police	2,097,887	2,300,439	2,600,525	2,901,817	2,957,087
Soldier and General Land Settlement Administration	1,250,787	1,334,008	1,441,951	1,362,122	1,300,148
Trade and Commerce—					
Canada Grain Act, Exhibitions, etc.	4,168,047	4,015,985	4,476,131	4,894,120	6,585,958
Bounties, Copper Bars, etc	164,791	82,807	79,290	40,030	92,181
Mail Subsidies and Steamship Subventions	1,008,999	844,591	1,026,375	1,083,437	1,314,169
Other Expenditures	4,863,799	6,385,211	7,104,311	5,054,973	5,344,739
Unemployment Relief	.....	.....	.....	.....	4,431,655
Total Ordinary Expenditure	319,548,173	336,167,961	350,952,924	357,779,794	393,992,377

Expenditures on Capital Account

Parliament, for the fiscal year 1930-31, appropriated the sum of $33,484,000 for capital expenditures. In the year $28,222,000 was actually expended on that account. These expenditures, for the purpose of convenience, may be classified under the following heads: (1) Railways, (2) Canals, (3) Public Works, and (4) Marine.

Taking first the railways: On this account over $6,000,000 was disbursed, and of this amount $2,500,000 was spent on the Prince Edward Island ferry and terminals, and $4,137,000 on the Hudson Bay railway and terminals. The investment in the Hudson Bay railway and terminals at the end of the fiscal year amounted to $43,880,000.

The expenditures on canals amounted to $9,800,000, of which expenditures on the Welland ship canal represented $9,600,000.

The expenditures in connection with Public Works capital account were largely those in connection with shipping, although at Ottawa $2,500,000 was spent on the new Confederation building and the National Research Council laboratories. The expenditure in connection with the Burlington channel, lake Ontario, amounted to $1,151,000, while over $3,000,000 was disbursed in connection with the lower lake terminals at Prescott. Expenditures of approximately $400,000 in each case were also made in connection with harbour improvements at the head of the great lakes and at Sorel.

In connection with the capital expenditures of the Marine department, it may be said that practically all were in connection with the St. Lawrence ship channel, for $3,464,000 was spent on dredging the channel, etc., and $400,000 in the construction of regulating and retaining dams in the St. Lawrence river below Montreal.

A summary of the capital expenditures for the past five fiscal years is:

	1926-27	1927-28	1928-29	1929-30	1930-31
			(000 omitted)		
Canals	$13,846	$13,763	$13,164	$ 9,324	$ 9,846
Railways	2,792	3,592	6,302	6,663	6,367
Public Works	2,921	3,281	3,343	6,574	12,009
Total	$19,559	$20,636	$22,809	$22,561	$28,222

Special Expenditures

The special expenditures amounted to $12,358,000. The most important item was $8,599,000 which represents 30 per cent reduction in soldiers' indebtedness to the Soldier Settlement Board as authorized by chapter 42, Acts 1930: $2,067,000 represents the government's contribution to the civil service superannuation fund: $639,000 was spent on account of railway grade crossings, and $105,000 was the amortized discount on the loan flotation made in New York in October last. The other important item was the payment of $500,000 for civilian war claims—in the previous fiscal year $6,700,000 was disbursed on this account.

A summary of these expenditures compared with previous years is:

	1926-27	1927-28	1928-29	1929-30	1930-31
			(000 omitted)		
Adjustment of war claims	$ 242	$1,861	$ 120	$ 95	$ 111
Cost of loan flotations	3,278	13	11	17	193
Miscellaneous charges	4,537	1,692	2,056	3,027	11,554
Reparations, claims for compensation	....	....	....	6,700	500
Total	$8,057	$3,566	$2,187	$9,839	$12,358

Loans and Advances Non-active

The final group of expenditures are those which are treated as loans and advances, but, being non-interest producing, are treated as non-active, charged as expenditures of the year, and not treated as assets in establishing the net debt of the dominion. In the year under review the amount advanced was $5,500,000. Of this $3,491,000 consisted of loans to the Quebec harbour commissioners, and $1,826,000 to the Canadian Government Merchant Marine and the Canadian National (West Indies) Steamships, this being the amount required to meet their deficits.

[Mr. Bennett.]

A comparison of the loans and advances non-active for the past five years is:

	1926-27	1927-28	1928-29	1929-30	1930-31
			(000 omitted)		
Loans to Canadian National Railways	$10,000	....	....	$2,933	....
Loans to Canadian National Steamships	427	$ 1,000	$ 758	2,491	$1,827
Loans to Quebec Harbour Commissioners	680	1,458	2,888	2,821	3,491
Miscellaneous non-active accounts	26	....	....	17	170
Accounts carried as active assets transferred to non-active	436	16,035	10,000	....	....
Total	$11,569	$18,493	$13,646	$8,262	$5,488

Summary

Grouping the 1930-31 expenditures together, it will be observed that total expenditures amounted to $440,060,657, as compared with $398,442,247 in the previous year. With respect to these expenditures, it may be said that for none of them is the present government responsible, with the exception of $4,431,000 for unemployment relief, $681,000 under governor general's warrants (mainly for ex-soldiers' relief), $2,000,000 for the Welland ship canal, $288,000 for Port Arthur and Fort William, harbour improvements, and a number of smaller items included in the supplementary estimates brought down at the end of March, these amounting to less than $100,000.

It will be noted that ordinary revenues were $44,398,879 less than ordinary expenditures, and that total revenues were $83,844,358 less than total expenditures. It should perhaps be noted that $8,599,385 of this deficit is brought about by the writing down of soldier land settlement loans advanced in previous years, so the balance, namely $75,244,973, is really the amount of the deficiency for the fiscal year period. Minor adjustments have yet to be made before the accounts are officially closed, but the foregoing is anticipated to be within a few thousands of the final balances for the fiscal year 1930-31.

CAPITAL BORROWINGS

The fiscal year under review was marked by a change in circumstances in respect of the national debt. For several years there had been a surplus of revenues over expenditures which could be applied to maturing obligations. Such was not the case in the past year.

In January, 1929, the Canadian National Railways were in need of money for capital requirements and, as will be recalled, interest charges were then at abnormal heights. The government, therefore, between that date and May, 1930, advanced to the railways $33,000,000, taking demand notes as security. In June, 1930, the Canadian National Railways carried out a borrowing operation and repaid the dominion $11,839,458, leaving a balance of $21,160,542 payable to the dominion. On July 1st, with $5,000,000 thus received, the government repurchased $5,000,000 at par of the 4 per cent treasury notes which were to mature on December 1st, 1930. This transaction represented a net saving of $83,000 in interest.

Last autumn, the New York money market for railway securities was unreceptive, but, with the company reporting deficits each month and with large capital undertakings of the railway proceeding, provision had to be made for the company's financial requirements. The dominion decided it was in the public interest to continue the providing of funds for the Canadian National and in October sold to a syndicate, headed by the Chase Securities Corporation and the Banc-america-Blair Corporation of New York, an issue of $100,000,000, 4 per cent, thirty year bonds, but callable at the end of twenty years. The amount realized was $93,646,000, or a cost of approximately 4·38 per cent. This rate is the best which has been secured by the dominion for any long-term financing since the outbreak of the war.

The sum of $10,000,000 was immediately advanced to the railways and before the end of December a further $15,500,000 was loaned to the company.

Due to the fact that the requirements of the railways had made it necessary for the government to make a large public offering earlier than had been planned, the dominion did not require to refinance immediately all of the $45,000,000 of three-year treasury notes which matured on the 1st of December. It was found practicable to retire, permanently, the $5,000,000 which had been purchased on the previous first of July, and a new loan was arranged with a group of Canadian banks. An issue of four per cent two-

year treasury notes for $40,000,000 was authorized; $13,300,000 was sold on December 1st, $10,000,000 on January 1st, and the balance, $16,700,000, on February 15th.

The transfer of the natural resources to the three prairie provinces during the past fiscal year vested the responsibility for the administration of the school land funds in the three provincial governments. The Dominion Lands Act provides that sections eleven and twenty-nine in every surveyed township in Manitoba, Saskatchewan and Alberta, shall be set aside as an endowment for purposes of education in those provinces. The act also provides that all moneys, from time to time, realized from the sale of such school lands shall be invested in securities of Canada and the interest arising therefrom, after deducting costs of management, shall be paid to the provinces towards the support of schools organized and carried on in accordance with the laws of such province.

The agreements with the provinces, as ratified at the last general session of parliament, provided that the transfer of these moneys might be either by cash of securities. The amount involved was over $33,000,000.

Until 1917, the fund moneys were carried in the cash working accounts of the dominion and 3 per cent interest was paid. The war had greatly altered money values, and the provinces submitted a request for a higher rate of interest. This was granted by the government of the day, on the authority of an order in council dated June 7th directing that the moneys, then in the fund, be invested in 5 per cent debenture issue which had been created in 1916 and which would mature on the 1st of October, 1919.

In 1919 the government, by order in council dated March 12, directed that the moneys which had accumulated in the interval be invested in the 1916-1919 debenture issue. On December 1, 1919, an executive direction was given that the moneys of the fund be invested in debenture stock to mature on October 1, 1922. The rate was again 5 per cent.

On September 25, 1922, an order in council was passed which, after reciting the December 1, 1919, order in council, continued:

> In view of the approaching maturity of the said debenture stock, the minister recommends that authority be given to continue the payment of interest at the rate of five per cent per annum on school land funds held from time to time by the Minister of Finance in trust for the provinces of Manitoba, Saskatchewan and Alberta.

No further action was taken and the records do not disclose the reason. Whatever may have been the cause, the fact is that when the present administration took office the fund was in the same state as in 1922. The amount was entered annually in the public accounts as a liability of the dominion; five per cent interest was being paid and there was no dispute as to the amount which was to be paid, but there were no certificates which could be transferred to the provinces.

The provinces were consulted to ascertain whether they desired settlement in cash, or the transfer of the fund by securities of Canada. It was agreed that, until an arrangement could be made, the dominion would continue to pay interest at the rate of 5 per cent. Early in April last, representatives of the provinces met with the dominion and it was arranged that a new debenture issue would be created for the amount of the capital account of the fund on the dates of the transfer of the resources to each of the provinces. This has been done, and the provinces receive certificates for the following amounts:

Manitoba	$ 5,919,862 65
Saskatchewan	17,809,039 00
Alberta	9,564,569 20
	$33,293,470 85

The maturity date is July 1, 1934, and the interest is at the rate of 5 per cent, payable half-yearly on the first of July and January.

$25,000,000 MATURITY

While the actual settling of the $25,000,000 loan which had been obtained in New York in 1916 took place on the first day of the present fiscal year, might it be pointed out that the financial operation of last fall provided the money for that purpose. The loan was a five per cent issue, while the cost of the re-financing was at the rate of 4·38 per cent. This means a saving in the annual interest charges of $155,000.

1931 CONVERSION LOAN

The only funded debt to be refinanced in the present fiscal year is the $52,929,600 falling due on October 1, and the success of the conversion loan recently completed leaves less than 15 millions to be refinanced. At the present moment it would appear that this can most profitably be done by the use of treasury bills.

The debt conversion operation, which commenced on May 11 last, does not properly belong to a review of the financial operations of the last fiscal year, but it is a matter of general interest at the present time. The basis was: in exchange for bonds maturing in 1931, 1932, 1933 and 1934, new securities

were given, bearing interest at the rate of 4½ per cent per annum, and maturing twenty-five years after the due date of the bonds surrendered for conversion, the dominion having the right to redeem after fifteen years. The holder was, naturally, guaranteed all the benefits, including difference in interest rate, associated with his old bond to the date of its maturity. The first offer to the public was for $250,000,000. The success of the operation was assured at the close of business on the first day, and it became necessary to increase the amount the government was prepared to accept for conversion. The subscription books remained open until the advertised closing date, Saturday, May 23. It was a remarkable success, it being estimated approximately 640 millions were converted. Until all adjustments are made and the overseas subscriptions actually delivered to the department, a final statement cannot be presented, but at the moment the report is:

Year of Maturity	Total Amount of Loan	Amount Surrendered for Conversion
1931..	$ 52,929,600	$ 38,762,500
1932..	73,323,150	37,011,400
1933..	446,659,950	272,989,100
1934..	511,910,650	278,703,500
	$1,084,823,350	$627,466,500
Not yet distributed as to maturity.		12,350,000
		$639,816,500

The dominion sponsored the conversion operation and paid a commission of one-half of one per cent, except on conversions of bonds maturing on October 1st, 1931. No commission was paid to any one for the $38,000,000 of bonds of this issue which were surrendered for conversion.

RAILWAYS, STEAMSHIPS, AND HARBOUR COMMISSIONS

The financial provision which it was necessary to make in the fiscal year for the Canadian National Railways and Steamships, and the various harbour commissions, reached important dimensions. So far as capital expenditures are concerned, they represent the carrying out of the extensive programs of construction approved by parliament in previous sessions, and where payments have been required for operating deficits, the amounts naturally reflect the unfavourable situation.

Canadian National Railways

The accounts of the Canadian National Railways for 1930 have been presented to the house. The company failed to earn its fixed charges to the public by $29,219,738. This figure is exclusive of the operations of the eastern lines of the accruing interest on the cash advances of $604,000,000 which the government has made to the company in previous years.

The deficit on the system, exclusive of eastern lines, was financed by the company and is not reflected in the government accounts for this year.

The general budget of the railways for 1930, which included provision for deficit, general additions and betterments and miscellaneous debt retirements, amounted to $63,010,400.85, of which $51,600,000 was authorized at the 1930 session and the balance, $11,410,400.85 was passed at the present session as a supplementary provision to cover over-expenditure due to the unanticipated falling-off in receipts. In respect of these requirements, guaranteed bonds to the amount of $51,600,000 were issued and the sum of $11,410,000.85 has been financed temporarily by a bank loan.

The expenditures just referred to do not include those incurred on branch lines and terminals authorized by special statutes. For these purposes the actual expenditures in 1930 amounted to $21,112,073, financed from the proceeds of guaranteed bonds. The total amount of bonds issued in the past fiscal year for these purposes was $32,577,779, a substantial amount having been provided for expenditures on these accounts in 1931.

For the purposes mentioned above and to refund certain maturing and temporary loans, the company issued $120,000,000 of securities in the period of our fiscal year to which the guarantee of the government, in accordance with the authorization of parliament, was given. An issue of $50,000,000 4¾ per cent 25-year bonds was sold in June, 1930, and an issue of $70,000,000 4½ per cent 25-year bonds was sold in February, 1931.

The following statement summarizes the purposes for which these issues were made and the total amount of securities issued in each case:

Canadian National Railway Company

Guaranteed Bond Issues, 1930-31

Authority		Securities Issued
Railway loan appropriation, 1930 budget		$ 51,600,000 00
Special Projects—		
Branch lines construction:		
Special acts, 1927-30 program	$ 226,166 83	
Special acts, 1929-32 program	13,524,749 04	
Toronto Terminals Railway Act	3,650,000 00	
Can. National Montreal Terminals Act	12,300,000 00	
Northern Alberta Railways Act	1,589,904 62	
St. John & Quebec railway acquisition	1,286,959 00	
		32,577,779 49
Refunding—		
Temporary loan, railway loan appropriation, 1929 budget	$ 7,171,181 67	
Can. National (Central Vermont) Financing Act, 1930	8,609,000 00	
Can. National Refunding Act, 1930	20,042,038 84	
		35,822,220 51
		$120,000,000 00

As in former years the company financed the purchase of new equipment to the extent of seventy-five per cent of the cost thereof, by the sale of equipment trust certificates not guaranteed by the Dominion government. An issue, authorized in June, 1930, of $15,750,000 4½ per cent certificates was made for this purpose.

Canadian National Steamships.

The operating loss on the Canadian Government Merchant Marine, Ltd., 1930, involved a cash payment by the government of $834,210.89. We were also called upon to advance $992,730.62 to the Canadian National (West Indies) Steamships, Ltd., this amount being the cash deficit resulting from the 1930 operations of the company after absorbing the contributions made by the colonies under the West Indies trade agreement towards the cost of the service. The sum advanced does not, however, represent the whole cost of this service which, including depreciation, amounted to $1,362,655 in 1930. The operation of these two organizations in 1930 resulted in a charge of $1,826,941.51 on the government accounts for the year.

Harbour Commissions.

Advances to harbour commissions on capital account for the development of port and terminal facilities, totalled $15,606,600. The following statement shows the amount advanced in 1930-31 to each of the commissions:

	Advances, 1930-31
Chicoutimi	$ 846,000 00
Halifax	3,539,000 00
Montreal	2,291,000 00
Quebec	3,491,000 00
St. John	1,094,000 00
Three Rivers	1,543,000 00
Vancouver	2,802,000 00
	$15,606,600 00

In July, 1930, the sale was made of a further $500,000 5 per cent guaranteed bonds of the harbour commissioners of Montreal for purposes of the Montreal harbour bridge, bringing the outstanding debt for this project to $19,000,000. The revenues of the bridge in 1930 were not adequate to meet the interest charges and, consequently, on November 1, 1930, the government was called upon to implement its guarantee to the extent of providing $170,000.

CANADIAN FARM LOAN BOARD

During the year, the government advanced $2,600,000 to the Canadian Farm Loan Board, being the balance of the $5,000,000 initial capital which the act provided that the government should supply for the operations of the board. Subscriptions to capital stock of the board under the terms of the scheme, involved a further payment of $199,839. Apart from the initial capital subscribed by the dominion government and capital stock subscriptions made by the dominion and provincial governments and the borrowers, respectively, the board is to be financed by the issue of farm loan bonds to be sold either to

the public or to the Minister of Finance. In view of the difficulties at the moment of securing a favourable market reception for farm loan securities, the government has undertaken to purchase on a 5 per cent basis farm loan bonds to finance the 1931 operations of the board. The amount of bonds purchased prior to the end of the fiscal year was $300,000, bringing the total capital furnished by the government to the board in the year, to $3,099,839.

The transactions involved in the year's operations are now summarized in the condensed cash statement which follows:

Receipts—		
Cash balances in banks, March 31, 1930		$ 27,991,597 06
Loans and advances repaid:		
Canadian National Railways temporary loan	$21,060,541 78	
Provincial Housing Loans	639,515 00	
Government of Greece	225,000 00	
Soldier Settlement Loans	285,904 06	
		22,210,960 84
Loan Accounts Receipts:		
4 per cent 1930-60 New York Loan proceeds	93,646,000 00	
School Lands debenture Stock	509,000 00	
		94,155,000 00
Annuities, Insurance and Superannuation Funds—net accretion		9,835,077 39
Miscellaneous Accounts		533,639 93
Revenues for year 1930-31		356,216,299 00
		$510,942,574 22
Payments—		
Reduction in Liabilities:		
Post Office Savings Bank withdrawals	$ 1,335,809 06	
Post Office Money Orders, etc., redeemed	956,419 94	
4 per cent Treasury Notes redeemed	5,000,000 00	
Bonds and Stocks acquired for sinking funds	3,673,666 19	
Overdue bonds and stocks redeemed	203,874 50	
Overdue coupons redeemed	425,395 16	
		$11,595,164 85
Payments on Active Asset Accounts:		
Bonds acquired and held	1,034,805 56	
Loans to Harbour Commissioners	12,115,600 00	
Loans to Canadian Farm Loan Board	3,099,839 00	
Bullion and Specie, increase in surplus held	5,090,776 58	
Ottawa Mint Bullion advance account	1,947,206 82	
		23,288,227 96
Expenditures 1930-31, exclusive of $8,599,385 Soldier Settlement Loans written off		431,461,272 00
Cash balances in banks, March 31, 1931		44,597,909 41
		$510,942,574 22

BALANCE SHEET

The assets and liabilities of the Dominion are set out in the balance sheet published in the public accounts: active assets comprising cash balances and specie accounts; loans and advances that are realizable or income-producing, and other miscellaneous accounts. These assets are taken as an offset against the gross liabilities of the dominion in arriving at the net debt. The balance sheet also sets out non-active assets that are not considered as an offset against the gross liabilities, as they represent loans and advances that are neither realizable nor income-producing and the large capital expenditures made on government-owned properties. Taking first the active assets, the statement is, and I think the house will be somewhat interested in this statement of our assets that are regarded as having value:

Active Assets on March 31, 1931		
Cash balances in banks		$44,597,909 41
Specie Reserve	$ 81,457,889 05	
Advances to Banks under Finance Act	6,500,000 00	
		87,957,889 05
Loans to Provinces for Housing		10,671,687 72
Loans to Foreign Governments:		
Greece	6,640,000 00	
Roumania	23,969,720 00	
		30,609,720 00
Loans to Harbour Commissioners:		
Chicoutimi	2,161,000 00	
Halifax	4,841,000 00	
Montreal	55,977,000 00	
St. John	3,407,000 00	
Vancouver	20,607,900 00	
Three Rivers	1,679,600 00	
		88,673,500 00
Canadian Farm Loan Board		5,608,862 00
Soldier and General Land Settlement		48,150,885 44
Seed Grain and Relief Advances		2,426,508 29

For seed grain and relief advances this amount only is being carried as an active asset.

Advances for working capital and Miscellaneous—		
Advances to Royal Mint	$ 4,221,401 34	
Canadian Government Railways, Open and Stores Accounts	15,748,921 60	
Miscellaneous Advances, etc.	4,265,215 87	
Unamortized discount on 4 per cent loan, 1930/60	6,248,100 00	
		$30,483,638 81
		$349,180,600 72

I shall now make, as I think it is desirable, a short statement with respect to each of these items in the statement of active assets that I have just placed on Hansard.

Cash balance in banks.

Cash balance in banks, $44,500,000 is the amount of cash at the credit of the Receiver General in the several banks at the close of the fiscal year. Of the amount $25,000,000 was paid out on April 1, 1931, to retire the 5 per cent Public Service Loan which matured in New York on that date.

Specie Reserve.

Specie Reserve is the gold held by the Department of Finance as security for Dominion Notes in circulation and Post Office Savings Bank deposits. At the end of the year there was $81,000,000, an increase of $15,000,000 for the year.

Advances to banks under the Finance Act.

Advances to banks under the Finance Act, amounting to $6,500,000, are made by issue of Dominion Notes against approved securities deposited by the banks with the department as collateral.

[Mr. Bennett.]

Loans to Provinces for erection of houses.

Under authority of appropriations granted in 1919 and 1920 advances were made to the provincial governments to encourage the erection of dwelling houses throughout Canada. The loans were repayable within twenty years and carried interest at the rate of five per cent per annum. Advances to the amount of $23,500,000 were made. Repayments received have reduced this to $10,600,000 on March 31, 1931, made up as follows:

British Columbia	$ 1,701,500
Manitoba	1,475,000
New Brunswick	1,057,000
Nova Scotia	1,017,000
Ontario	.....
Prince Edward Island	36,500
Quebec	5,384,688
	$10,671,688

Loans to Foreign Governments.

Following the termination of the Great war, the Dominion government made available to certain foreign governments credits for the purchase of Canadian products. A number of the countries that took advantage of these

credits have already repaid the amounts advanced. There is still $6,600,000 owing by the government of Greece, and $23,900,000 by the government of Roumania. Arrangements were made with the government of Greece in 1924 which provided for semi-annual payments on account of principal so that the debt will be retired by 1948. Interest at 5 per cent and redemption payments have been made when due.

The Roumanian debt was funded in 1922 on a 4 per cent basis, and since then interest has been paid regularly. These bonds mature on April 1, 1968, and a provision is made for a sinking fund to redeem them on or before the due date.

Loans to Harbour Commissioners.

Prior to 1921 the policy had been to provide for necessary harbour improvements by direct government expenditures, except at the ports of Montreal and Quebec to which the funds required were loaned by the government. In 1921 the harbour commission of Vancouver was added to those receiving aid by way of loans. Harbour commissions at Chicoutimi, Halifax, St. John and Three Rivers have since been added to the list. The amount which had been so loaned is carried as an active asset, and reached the figure of $88,600,000 on March 31, 1931. This is exclusive of advance to the Quebec Harbour Commission which is carried as a non-active asset.

Canadian Farm Loan Board.

The financial requirements of the Canadian Farm Loan Board have been met from the federal treasury and the board has, so far, received $5,600,000. This is made up of $5,050,000 of initial capital and advances; $250,000 in subscriptions to capital stock, and $300,000 in purchase of farm loan bonds.

Soldier and general land Settlement.

The Soldier Land Settlement Act of 1919 provided for the granting of financial assistance by way of loans to returned soldiers who were desirous of settling on the land. Up to the 31st of March, 1931, loans to the amount of $116,500,000 were granted, against which $32,800,000 has been realized. As the major portion of the advances was made at a period of inflated values it became necessary to afford measures of relief. Accordingly in 1925, 1927 and 1930 the Soldier Land Settlement Act was amended to provide for reduction in the amounts of loans outstanding to settlers. As a result of these amendments $18,900,000 has been written off to Consolidated Fund.

Substantial losses have been experienced in resale of farms, stock and equipment that reverted to the board. To provide for these losses $16,600,000 has been transferred to non-active assets. There is left $48,200,000 as an active asset out of a net capital investment of $83,700,000.

Seed Grain and Relief Advances.

Advances for seed grain and relief have been made from time to time to needy settlers in western Canada. These advances are repayable with interest, and, on March 31, 1931, $2,400,000 was carried in the account as realizable.

Advances for Working Capital and Miscellaneous.

The remaining assets carried as active total $30,400,000 under the general heading of advances for working capital and miscellaneous. The chief items under this category are amounts advanced to the Ottawa Mint for purchase of precious metals, the stores and open accounts of the Canadian Government Railways (now entrusted to the Canadian National Railways for operation) and the unamortized discount on the 4 per cent 1930-60 loan sold at a substantial discount, which will be absorbed over the life of the loan by annual charges to income.

LIABILITIES

The liabilities of the Dominion as of March 31, 1931, may be summarized as follows:

Liabilities of Dominion on March 31, 1931

Dominion Notes Outstanding		$ 141,066,256 69
Bank Circulation Redemption Fund		6,788,162 46
Insurance and Superannuation Funds:		
Government Annuities	$23,306,954 65	
Insurance Fund, Civil Service	6,373,647 19	
Insurance Fund Returned Soldiers	9,249,236 10	
Retirement Fund	6,271,610 87	
Superannuation Funds	35,056,489 12	
		80,257,937 93

Liabilities of Dominion on March 31, 1931—Concluded.

Trust Funds:		
Indian Funds	$13,764,581 06	
Common School Funds	2,668,449 17	
Contractors' Securities Deposits	1,712,817 35	
Other Trust Funds	2,473,324 90	
		20,619,172 48
Contingent and Special Funds		1,285,406 40
Post Office Money Orders, Postal Notes, etc., outstanding		4,135,347 92
Province Accounts		9,623,816 77
Post Office Savings Bank deposits		24,750,226 97
Funded Debt—Unmatured	$2,319,279,007 20	
Matured but not presented for payment	555,882 04	
		2,319,834,889 24
Interest coupons matured but not presented for payment		2,427,700 58
Total liabilities		$2,610,788,917 44

It may be well to make a brief explanation of these items. I may say, Mr. Speaker, that part of this labour is taken because this is a new parliament and there are a large number of young members who seem to take considerable interest in the financial structure of the country. Therefore I thought it desirable that they might have this record of the position as it existed on the 31st March, 1931. Although this has involved a very considerable amount of labour, I think they will regard the information thus afforded as being of value to them when they are considering the public questions of the country.

Dominion Notes Outstanding

At the close of the fiscal year, dominion notes in circulation amounted to $141,000,000. This is a reduction of $33,000,000 in the amount of notes outstanding at the commencement of the year. The decrease is more than accounted for by the reduced demands of the banks for notes under the Finance Act, which dropped from $50,200,000 at the commencement of the year to $6,500,000 on March 31, 1931. During the same period, the gold held as security for the redemption of the notes increased from $63,000,000 to $80,000,000, so that, while on March 31, 1930, gold reserves represented 36·30 per cent of the total notes in circulation, this percentage was increased to 56·90 per cent on March 31, 1931.

Trust and Special Funds

Each year the Dominion government derives a substantial amount of receipts from trust and special funds. These funds are not earmarked in any way, but are deposited in the general cash fund and are used to meet the current financial requirements of the government. These deposits create a liability which the government will be required to meet by future disbursements. During the past year the treasury received a net amount of $10,000,000 from these sources. The amounts standing at the credit of these accounts on March 31, 1931, were:

Bank Circulation Redemption Fund	$ 6,788,000
Government Annuities, Insurance and Superannuation Funds	80,257,000
Trust Funds	20,619,000
Contingent and Special funds	1,285,000
Post Office, Money Orders, Postal Notes, etc., outstanding	4,135,000
	$113,084,000

Province Accounts

In the dominion books, a liability of $9,623,000 is carried representing the capital debt assumed by the dominion when the provinces entered confederation in respect of the assets taken over. The obligation is discharged by annual interest payments forming part of the subsidies.

Post Office Savings Bank Deposits

Deposits in the post office savings banks have continued to decrease. The reduction for the year amounted to $1,300,000, leaving deposits of $24,750,000 on March 31, 1931.

Matured Funded Debt and Interest Unpaid

As at March 31st, our accounts carried as a liability $555,000 for unpresented matured bonds and $2,400,000 for matured coupons outstanding.

Unmatured Funded Debt

The unmatured funded debt on March 31, 1931, was $2,319,000,000. This shows an increase of $92,000,000 compared with the debt on March 31, 1930, but in the issue that was floated in New York last October, provision was made for the retirement of the $25,000,000, 5 per cent public service loan which

matured on April 1, 1931, after the end of the fiscal year. When allowance is made for this retirement, the increase is reduced to $67,000,000.

Sinking Fund

Provision is made for a sinking fund contribution of one-half of 1 per cent per annum on $254,000,000 of sterling debt payable in London.

The annual contribution of $1,272,263.57, together with the interest derived from the bonds and stocks held, are invested each year by the Bank of Montreal, London, acting as fiscal agent for the government. There is no sinking fund provision for the remaining $57,215,000 of sterling debt outstanding. The total investments on account of sinking funds on March 31, 1931, was $59,700,000, of which $3,670,000 was purchased during last year.

After the three 5 per cent domestic war loans were issued in the years 1915 to 1917, a sinking fund of one-half of 1 per cent per annum was authorized by the governor in council. Certain investments were made on account of this sinking fund but purchases were discontinued when the bonds sold above par. No sinking fund provision has been made for the remaining domestic issues nor for the issues made in New York.

A statement showing the unmatured funded debt and the annual interest charges thereon follows:

Date of Maturity	Name of Loan	Rate	Where Payable	Amount of Loan	Amount Interest Charges
		%		$ cts.	$ cts.
1931—April 1...	Public Service Loan 1916..	†5	New York.....	25,000,000 00	1,250,000 00
Oct. 1...	War Loan 1916–31.....	†5	Canada.....	52,929,600 00	2,646,480 00
1932—Nov. 1...	Renewal Loan 1922.....	5½	Canada.....	73,323,150 00	4,032,773 25
Dec. 1...	Two Year Notes.....	4	Canada.....	40,000,000 00	1,600,000 00
1933—Nov. 1...	Victory Loan 1918.....	†5½	Canada.....	446,659,950 00	24,566,297 25
1934—June 1...	Loan of 1884.....	3½	London.....	23,467,206 27	821,352 22
Nov. 1...	Victory Loan 1919.....	5½	Canada.....	511,910,650 00	28,155,085 75
1935—Aug. 1...	Bond Loan 1915–35.....	†5	Canada and N.Y.	874,000 00	43,700 00
1936—Feb. 1...	Loan of 1926–36.....	4½	New York.....	40,000 000 00	1,800,000 00
1937—Mar. 1...	War Loan 1917–37.....	†5	Canada and N.Y.	90,166,900 00	4,508,345 00
Dec. 1...	Victory Loan 1917.....	†5½	Canada.....	236,299,800 00	12,966,489 00
1938—July 1...	Loan of 1888.....	3	London.....	8,071,230 16	242,136 90
July 1...	Loan of 1892.....	3	London.....	18,250,000 00	547,500 00
July 1...	Loan of 1894.....	3	London.....	10,950,000 00	328,500 00
July 1...	C.P.R. Loan.....	3½	London.....	15,056,006 66	526,960 23
1940—Sept. 1...	Refunding Loan 1925.....	4½	Canada.....	75,000,000 00	3,375,000 00
1943—Oct. 15...	Refunding Loan 1923.....	5	Canada.....	147,000,100 00	7,350,005 00
1944—Oct. 15...	Refunding Loan 1924.....	4½	Canada.....	50,000,000 00	2,250,000 00
1946—Feb. 1...	Refunding Loan 1926.....	4½	Canada.....	45,000,000 00	2,025,000 00
1947—Oct. 1...	Loan of 1897.....	2½	London.....	4,888,185 64	122,204 64
1950—July 1...	Loan of 1930–50.....	3½	London.....	137,058,841 00	4,797,059 43
1952—May 1...	Loan of 1942–52.....	5	New York.....	100,000,000 00	5,000,000 00
1960—Oct. 1...	Loan of 1940–60.....	4	London.....	93,926,666 66	3,757,066 67
Oct. 1...	Loan of 1930–60.....	4	New York.....	100,000,000 00	4,000,000 00
Demand.....	Debenture Stock School Lands.....	5	Canada.....	33,129,000 00	1,656,450 00
				2,378,961,286 39	118,398,405 34

Payable in Canada	$ 1,711,252,250 00
Payable in Canada and New York	91,040,900 00
Payable in New York	265,000,000 00
Payable in London	311,668,136 39
	$ 2,378,961,286 39
Less Bonds and Stocks of the above Loans held as Sinking Funds	59,764,439 00
	$ 2,319,196,847 39

†Tax Free.

Of the funded debt 13.10 per cent is payable in London; 11.14 per cent in New York; 3.83 per cent in either New York or Canada, and 71.93 per cent in Canada. The following summary sets out the amount of debt outstanding at the different interest rates:

$	4,888,185	64	at 2½%	$ 122,204	64
	37,271,230	16	at 3 %	1,118,136	90
	175,582,053	93	at 3½%	6,145,371	89
	233,926,666	66	at 4 %	9,357,066	66
	210,000,000	00	at 4½%	9,450,000	00
	449,099,600	00	at 5 %	22,454 980	00
	1,268,193,550	00	at 5½%	69,750,645	25
	$2,378,961,286	39		$118,398,405	34

NON-ACTIVE ASSETS

The gross liabilities of the Dominion on March 31, 1931, were $2,610,700,000 as against which there were active assets of $349,180,000, to which reference has been made. The difference $2,261,600,000, commonly referred to as the net debt, but which is really the net debit balance in the accounts, is briefly accounted for under three heads.

First, there are loans and advances made for various enterprises which are not presently realizable, yield no direct return to the treasury, and in the presentation of the accounts are treated as losses. These total $673,000,000, the chief of which are $614,000,000 to the Canadian National Railways, $15,500,000 to the Canadian National Steamships, $24,400,000 to the Quebec harbour commission and $16,600,000 soldier land settlement loans.

The second division is comprised of the aggregate of capital expenditures made on canals, railways, public buildings and harbour and river improvements, which total $927,300,000. Another item of $88,000,000 is shown as "Railway Accounts (Old)", which refers to railway capital expenditures made in the early history of the country, the fruits of which were by legislation transferred to certain railway companies, hon. members will recall the transaction with respect to them during the Grand Trunk arbitration.

Then there is the balance of $572,500,000 at debit of consolidated fund on March 31, 1931. This is the accumulated deficits since the commencement of the accounts, or since confederation. All expenditures arising out of the world war have been absorbed in this balance. A tabulation of the non-active assets follows:

Non-Active Assets on March 31, 1931

Canadian National Railways		$ 614,406,239 42
Canadian National Steamships		15,550,748 55
Harbour Commissioners:		
Quebec	$24,429,995 68	
Montreal and Three Rivers	251,760 97	
		24,681,756 65
Seed Grain and Relief Advances		1,128,829 50
Soldier and General Land Settlement		16,648,957 95
Miscellaneous Advances, etc		995,678 82
Capital Accounts:		
Canals	$233,782,788 90	
Railways	435,687,262 93	
Public Buildings, Harbour and River Improvements	235,898,706 71	
Military Property and Stores	12,035,420 50	
Territorial Accounts	9,895,947 68	
		927,300,126 72
Railway Accounts (old)		88,398,828 78
Consolidated Fund, balance at debit of, March 31, 1931		572,497,150 33
Net Debt March 31, 1931		$2,261,608,316 72

INDIRECT OBLIGATIONS OF THE DOMINION

Hon. members will recall I spoke of obligations direct and indirect. Having dealt with the balance-sheet position of the dominion, its direct liabilities and the liquid and income-producing assets offsetting these in part, there remain for consideration the contingent or indirect liabilities. As at March 31, 1931, these indirect liabilities, as represented by securities guaranteed by the dominion outstanding in the hands of the public, amounted to $954,892,779. If to this figure there be added that part of the funded debt of the Canadian National Railways which does not bear a dominion government guarantee, a total of $1,268,748,433 is reached, accounted for as follows:—

Securities Guaranteed by the Dominion Government:		
Harbour Commissions		
Montreal Harbour Bridge	$19,000,000	
New Westminster Elevator	700,000	
St. John Harbour Improvements	2,135,118	
		$ 21,835,118
Canadian National (West Indies) Steamships		9,460,000
Canadian National Railways		923,657,661
Total Securities guaranteed by Dominion		$ 954,892,779
Canadian National Railway Debt not guaranteed by Dominion:— but for which of course we are liable—otherwise the property would cease to function—		
Guaranteed by provinces		72,184,488
Unguaranteed debt—		
Perpetual debenture stock		63,240,571
Mortgage bonds and debenture stock		88,608,374
Other miscellaneous indebtedness		7,480,621
Equipment trust notes & certificates		82,341,600
Total of which $1,237,513,315 is Canadian National Debt to the public		$1,268,748,433

The operation of the Canadian National Railways as an amalgamated unit dates from 1923. In January of that year, the former administration, by order in council, declared the preference and common stock of the Grand Trunk Railway Company of Canada to be the property of the Minister of Finance in trust for His Majesty and thereupon the amalgamation of the Grand Trunk with the Canadian National took place. It may be well for us to examine briefly the results of these eight years of operation, having regard particularly to their association with and reflex upon the dominion's financial position.

The period has been one in which a large sum of money has been made available to the system for capital investment, and there has been a corresponding increase in the debt of the company. In eight years some 400 millions of dollars have been added to the Canadian National Railways investment account for the construction and acquisition of lines, for terminals, hotels, new equipment, etc. This increase in debt has resulted in an addition to the annual interest charges on the system of almost 20 millions of dollars or about 55 per cent, so that when we consider the result of operations over the period, we must have in mind, on the one hand, the advantages expected to accrue from the assumption of a heavy additional obligation and, as an offsetting factor, the annual carrying charges resulting therefrom.

The balance sheet of the Canadian National Railways, through the profit and loss account indicates a loss in the eight-year period of 346 millions of dollars. The first and largest item making up this loss consists of 253 millions of dollars charged in the railway accounts—but not paid—as interest on the sum of 604 millions of dollars of direct assistance by way of cash loans which the government has given to the company. As between the government and the system, this is only a bookkeeping item. The actual burden of this liability was taken over by the dominion and has been carried by the tax-payers of the country.

The balance of the loss, totalling $93,000,000, is made up of $86,000,000, being the actual deficiency of earnings in the eight-year period after charging interest due the public, but leaving aside the interest due the government, and $7,000,000 representing the net debit of adjustments through profit and loss account. These figures leave out of consideration the operations of the eastern lines since the passing of the Maritime Freight Rates Act in July, 1927, from which date the government has contributed directly to operating losses on these lines, apart from the 20 per cent reduction in tolls, the sum of $17,500,000.

The situation, therefore, is that since 1923 an additional capital liability of 400 millions of dollars has been assumed in respect of the railways, involving an increase in the annual interest charge of 20 millions of dollars. The system has failed to earn its interest charges during the period by a round sum of 86 millions, and the government has itself borne the carrying charges in respect of 604 millions of dollars contributed direct to the system, as well as, since 1927, operating losses of $17,500,000 on eastern lines.

It is well known and fully realized that the difficulties of transportation systems are not unique to Canada or to the Canadian-owned

system. To realize that in 1930 the gross revenues of the system were less than in the year 1923, notwithstanding the addition of 400 millions of dollars to the investment in the property, serves only to impress the seriousness of the problem.

The following is a statement of these indirect obligations:

Bonds Guaranteed by Dominion Government as at March 31, 1931

Date of Maturity	Issue	Interest Rate	
		%	$ cts.
Sept. 1, 1934	Canadian Northern	4	17,060,033 33
Feb. 15, 1935	Canadian Northern	4½	17,000,000 00
Sept. 1, 1936	Grand Trunk	6	25,000,000 00
Oct. 1, 1940	Grand Trunk	7	24,743,000 00
Dec. 1, 1940	Canadian Northern	7	24,793,000 00
July 1, 1946	Canadian Northern	6½	25,000,000 00
April 1, 1948	New Westminster Harbour Comm	4¾	700,000 00
Aug. 1, 1952	St. John Harbour Comm	5	667,953 04
July 10, 1953	Canadian Northern	3	9,359,996 72
Feb. 1, 1954	Canadian National	5	50,000,000 00
Sept. 15, 1954	Canadian National	4½	26,000,000 00
Mar. 1, 1955	Canadian National (West Indies) Stps	5	9,400,000 00
June 15, 1955	Canadian National	4¾	50,000,000 00
Feb. 1, 1956	Canadian National	4½	70,000,000 00
July 1, 1957	Canadian National	4½	65,000,000 00
July 20, 1958	Canadian Northern	3½	7,896,564 81
May 4, 1960	Can. Nor. Alberta	3½	3,149,998 66
May 19, 1961	Can. Nor. Ontario	3½	34,229,996 87
Jan. 1, 1962	Grand Trunk Pacific	3	34,992,000 00
Jan. 1, 1962	Grand Trunk Pacific	4	8,440,848 00
Dec. 1, 1968	Canadian National	4½	35,000,000 00
July 1, 1969	Canadian National	5	60,000,000 00
Oct. 1, 1969	Canadian National	5	60,000,000 00
Nov. 1, 1969	Harbour Comm. of Montreal	5	19,000,000 00
Feb. 1, 1970	Canadian National	5	18,000,000 00
By tenders or drawings	Canadian National	2	30,534,780 67
Various dates, 1932-54	City of Saint John Debs. assumed by Saint John Harbour Commissioners	various	1,467,164 96
Serial—			
Feb. and Aug. 1, 1931-38	Canadian National Equipment "G"	5	11,250,000 00
Perpetual	Grand Trunk Guaranteed Stock	4	60,833,333 33
"	Grand Trunk Debenture Stock	5	20,782,491 67
"	Great Western Debenture Stock	5	13,252,322 67
"	Grand Trunk Debenture Stock	4	119,839,014 33
"	Northern Ry. of Canada Debenture Stock	4	1,499,979 67
			954,892,778 73

Now, Mr. Speaker, at this point I should like to point out that there is a tendency on the part of the press supporting hon. gentlemen opposite to allege that the government is opposed to the Canadian National Railways. May I venture to declare that no man is a good Canadian who does not take time to study and realize the extent of the obligations which are being laid upon this country by this parliament. The Canadian National Railways' management cannot be charged with responsibility for this. The Canadian National Railways Act provides that the governor in council takes the position of shareholders under the Railway Act, and when I point out the sums that have been expended and the obligations that have been created during the last eight years, I do so because it has been done at the initiation of the government which is now the official opposition. Bear that in mind. I do think there is a failure on the part of the Canadian people to understand and appreciate the extent and character of the obligations which have thus been placed upon them. There you have $86,000,000 of a deficit in interest earning power in the last eight years, in addition to which the people of this country paid interest on $604,000,000 advance for the running of the enterprise.

Now, I submit, sir, I would be derelict in my duty, and I believe any hon. member would be derelict in his duty, if he did not analyze and ponder these matters. And the

blame must rest with the government of the day for the management of railway companies are always prone to submit requests for larger sums than they expect to get. Yet so far as I have been able to ascertain, not one single capital request made by the management of the Canadian National Railways during the last eight years was refused by the late government—not one. Is that so in any privately owned road? Go through the requisitions made on the Canadian Pacific Railway or on the Union Pacific, the Southern Pacific or the Santa Fé, and you will not find that state of affairs existing. Yet the late government, for reasons best known to themselves, have put the country in the position that I have just pointed out. And I do suggest that there is no business of the nation which should so concern hon. members—who represent the shareholders in a larger way than does the governor in council—as that resulting in figures to which I have just directed their attention. I certainly think, and this government certainly thinks, it is most unfair and unjust, and, what is more, inimical to the well-being of the enterprise itself, to say that because you direct attention to those figures and the effect of them that therefore you are an enemy of the enterprise. The best friend any business enterprise has is that shareholder who carefully scrutinizes the expenditures made by the directors during the year.

TRADE

Canada at the close of the year 1930 again ranked fifth among the nations in the volume of international trade. There were substantial decreases in the dollar value of trade, as compared with the year before, but were a graph made by use of quantities it would present a jagged picture. The fiscal year 1929-30 closed with an unfavourable balance of visible trade amounting to 103 millions. In the year under review the unfavourable balance was 89 millions.

The United States was the principal customer of Canada during the year, taking 44½% of our exports and in turn Canada purchased over 64% of its imports from the United States. In dollars, imports from the United States amounted to 584 millions, and the exports 364 millions. This left an unfavourable balance in the trade with the United States of 220 millions. In the preceding year imports had amounted to 847 millions and exports to 536 millions.

Trade with British Empire

Trade with the British Empire was unevenly affected during the year. On the import side, while there was a decrease from 252 millions to 204 millions, this decrease was largely in the imports from two countries—the United Kingdom and New Zealand. There was a 40 million dollar decrease in imports from the United Kingdom, $3,000,000 being in iron products, 8 millions in alcoholic beverages and 19 millions in textiles. The balance was spread throughout a wide list of articles. From New Zealand the decline was in imports of butter which decreased $9,700,000.

The exports to the British Empire amounted to 295 millions, a decrease of 86 millions from the year before. The countries to which exports fell off the most were: United Kingdom (62 millions), Australia (9.6 millions), New Zealand (6.4 millions), West Indies (3 millions), and Newfoundland (1.5 millions). Naturally, the greatest falling off in exports to the United Kingdom consisted of food stuffs. The decrease in exports of grains amounted to 41 millions, in meats to $3,900,000, in milk products to $4,400,000, in paper to $2,300,000, and in iron and its products to $2,800,000. The principal decreases in exports to other parts of the British Empire were in food commodities such as flour, paper and wood products, automobiles, farm implements, etc.

The trade of Canada in the fiscal year, when calculated by means of percentage, was divided as follows:

With—	Imports %	Exports %
British Empire	22.6	36.1
United States	64.4	44.5
Treaty countries	9.2	14.1
Other countries	3.8	5.3
	100.	100.

Imports of Commodities

Ten product groups make up in value the major part of the imports into Canada, and a comparison over the last five year period emphasizes the material reductions which took place.

Group	1927	1928	1929	1930	1931
		(in millions)			
Sugar and products	40.4	38.8	31.7	27.9	25.1
Alcoholic beverages	29.3	45.9	48.8	45.0	35.4
Cotton and products	54.1	58.2	63.2	54.0	35.2
Wool products	50.5	48.8	54.4	46.6	33.6
Textile products, other	78.9	79.8	88.7	84.5	61.8
Iron products	229.4	259.5	346.6	316.8	194.9
Non-ferrous metal products	52.7	60.1	75.4	87.9	59.6
Coal and products	68.6	64.8	63.1	64.1	58.1
Petroleum	54.4	53.5	64.0	78.7	62.7
Chemicals	31.8	33.5	37.7	39.9	35.6

Exports of Commodities

A study of the exports shows every activity to have been touched by the decline in values—the products of the farm, the mine, the forest, the fishery and the factory. Again summarizing under ten groups, the record of the past five years shows:

Group	1927	1928	1929	1930	1931
		(in millions)			
Grains	394.4	391.6	476.1	232.7	180.8
Flour	68.7	59.8	65.1	45.4	32.8
Milk and products	41.6	34.0	35.7	27.4	18.7
Lumber, logs, etc	107.8	99.3	91.6	89.7	60.7
Paper	123.2	134.9	148.3	151.5	131.9
Fish	34.5	33.5	34.9	34.7	27.8
Rubber products	26.6	28.6	30.5	32.2	21.0
Non-ferrous metal products	80.6	90.8	112.7	154.3	95.6
Iron products	74.2	62.7	82.2	78.5	38.9
Wood pulp	49.9	47.3	44.9	44.7	35.1

Imports of Certain Goods

In the month of September, changes were made in the rates of over one hundred tariff items. A comparative statement is difficult because some divisions were previously incorporated into general items. With this reservation, the imports under the 129 items amounted to $112,271,000 in the period from October 1st, 1929, to March 31st, 1930, and in the same period commencing October 1st, 1930, and ending March 31st, 1931, the imports were $61,920,000.

Summary of the Trade

A statement of the world trade of Canada in the past five years follows:

Year	Imports	Total Exports	Balance
	$	$	$
1927	1,030,892,505	1,267,573,142	+236,680,637
1928	1,108,956,466	1,250,598,034	+141,641,568
1929	1,265,679,091	1,388,896,075	+123,216,984
1930	1,248,273,582	1,144,938,070	−103,335,512
1931	906,612,681	817,003,048	− 89,609,633

New Industries Established in Canada

Since August, 1930, there has been a marked influx of new concerns from outside countries into the dominion. It will be some time before full details in regard to capital invested, number employed, etc., can be secured since some are still in process of organization, but eighty-seven such concerns have already been listed by the dominion bureau of statistics and the number continues to grow. Of the eighty-seven, seventy-four are United States manufacturing concerns, eleven are British—seven manufacturing and four non-manufacturing—and two are French.

These firms represent considerable diversification in industry. United States firms include eight in the vegetable products groups—such as foods and rubber—two animal products, eight textile, eight wood and paper products, twenty iron and steel, twelve non-ferrous metals, three non-metallic minerals, nine chemicals and allied products, two mining and two miscellaneous. British firms include three textile, six iron and steel, one chemical and one miscellaneous. The two French firms are textile manufacturers.

List of New Concerns Establishing in Canada since August, 1930

United States

A. Vegetable Products:

1. Campbell Soup Co., Ltd., New Toronto, Ont.
2. Fine Foods of Canada, Ltd. (Minnesota Canning), Windsor, Ont.

A. Vegetable Products—Conc.
3. Hill Nut Co., Ltd., Toronto, Ont.
4. Liberty Cherry Co. of Canada, Ltd., Toronto, Ont.
5. Newton Products, Toronto, Ont.
6. Stedfast Rubber Co., Granby, Que.
7. Stedman Flooring Co., Farnham, Que.
8. Teabury Chewing Gum Co., Sherbrooke, Que.

B. Animal Products (Except Textiles):
1. Cantilever Shoe Co. of Canada, Ltd., Toronto, Ont.
2. Schwegler's Hatchery, Bridgeburg, Ont.

C. Textiles:
1. Aero Corp. of Canada, Kitchener, Ont.
2. B. Edmund David, Hawkesbury, Ont.
3. Dominion Webbing Co., Ltd., Kingston, Ont.
4. Donahue Corp. of Canada, Ltd., St. Hyacinthe, Que.
5. Henry Hamer & Sons, Ltd., St. George de Beauce, P.Q.
6. Esmond Mills, Ltd. of Canada, Granby, Que.
7. Herbert Hosiery Mills, Ltd., Toronto, Ont.
8. Westminster Hosiery Ltd., Mount Denis, Ont.

D. Wood and Paper Products:
1. Belleville-Sargent & Co., Ltd., Belleville, Ont.
2. Brown & Bigelow Ltd., Toronto, Ont.
3. Dixon Pencil Co., Newmarket, Ont.
4. Eagle Pencil Co. of Canada, Ltd., Drummondville, Que.
5. Hardware, Woodenware and Toys, Ltd., Coaticook, Que.
6. Schaeffer Ross Co. of Canada, Ltd., Toronto, Ont.
7. Schlegel Co. of Canada, Ltd., Toronto, Ont.
8. Venus Pencil Co. of Canada, Ltd., Toronto, Ont.

E. Iron and its Products:
1. A. B. C. Washer Co., Granby, Que.
2. Burr, Patterson & Auld Co., Walkerville, Ont.
3. Castings of Canada, Ltd., Smiths Falls, Ont.
4. Cross Coal-O-Matic Co. of Can., Ltd., Montreal, P.Q.
5. Dominion Hoist & Shovel Co.
6. Dominion Motors Ltd., Toronto, Ont.
7. Fedder Mfg. Co., Toronto, Ont.
8. Heaters of Canada, Oakville, Ont.
9. Hump Hairpin Co., St. Hyacinthe, Que.
10. Hupp Motor Car Corp., Windsor, Ont.
11. Johnson (S. T.) Oil Burners of Canada, Ltd., Montreal, P.Q.
12. Lodge Motor Co., Ltd., Walkerville, Ont.
13. Lynn Canadian Products, Ltd., Brockville, Ont.
14. Metal Textile Corp., Hamilton, Ont.
15. Radiator Specality Co. of Canada, Toronto, Ont.
16. Reo Motor Co. of Canada, Toronto, Ont.
17. Taco Heater Ltd. of Canada, Toronto, Ont.
18. D. D. Terrill Saw Co., Pembroke, Ont.
19. Tower Oil Burner Co. Ltd., Montreal, Que.
20. Stewart Truck Corp. of Canada (Assembling), Fort Erie, Ont.

F. Manufacturers of Non-Ferrous Metals:
1. Curtis Lighting Co. of Canada, Ltd., Toronto, Ont.
2. Dennison Electric Co., Toronto, Ont.
3. Dictograph Co. of Canada, Ltd., (Assembling), Toronto, Ont.
4. Eastern Power Devices, Ltd. (Formerly Sales Office), Toronto, Ont.
5. Hammond Co. of Canada, Ltd., Toronto, Ont.
6. International Resistance Co. Ltd., Toronto, Ont.
7. Leland Electric of Canada, Ltd., Toronto, Ont.
8. Noma Electric Co. of Canada, Toronto, Ont.
9. General Railway Signal Co. of Canada Ltd., Toronto, Ont.
10. Packard Cable Co. of Canada, Ltd., Toronto, Ont.
11. J. P. Seeburg Corp., Toronto, Ont.
12. Wheeler Reflector Co., Toronto, Ont.

G. Manufacturer or Non-Metallic Minerals:
1. Messrs. Bundy Insulators Co., Oshawa, Ont.
2. Master Builders, Ltd., Toronto, Ont.
3. Tranco Manufacturing Co. (Canada) Ltd., (formerly sales office), Leaside, Ont.

H. Chemicals and Allied Products:
1. Canadian Bitumels Co., Ltd., New Toronto, Ont.
2. Everett & Barron of Canada, Ltd., Toronto, Ont.
3. Fyr-Fyter Co. of Canada, Ltd., Hamilton, Ont.
4. The A. W. Higgins Co., St. John, N.B.
5. Mallinckrodt Chemical Works of Can., Ltd. (formerly sales office), Toronto, Ont.
6. Mum Mfg. Co. Inc., Windsor, Ont.
7. Ober Fertilizer Co., Welland, Ont.
8. Sheffield Bronze Powder Co., Ltd., (formerly sales office), Toronto, Ont.
9. Summers Fertilizer Co. Inc., St. Stephen, N.B.

I. Miscellaneous Industries:
1. L. G. Balfour Co., Sherbrooke, P.Q.
2. Film Laboratories of Canada, Ltd., Toronto, Ont.

J. Mining and Metallurgical:
1. Northwest Stellarene Co., Coutts, Alta.
2. Parco Oil Co., Ltd., Calgary, Alta.

List of New Concerns Establishing in Canada since August, 1930

Great Britain

C. Textiles:
1. Hield Bros., Kingston, Ont.
2. G. H. Hirst & Co., Carleton Place, Ont.
3. Hiram Leach & Co., Huntingdon, Que.

E. Iron and Steel Products:
1. Imperial Typewriter Co. (Canada), Ltd., (Non-Mfg.), Toronto, Ont.
2. Quasi-Arc Co., Ltd., (Non-Mfg.), Toronto, Ont.
3. Taylor Instrument Co. of Canada, Ltd., (Non-Mfg.), Toronto, Ont.
4. Warwick Time Stamp Co., Toronto, Ont.
5. Wright's Canadian Ropes, Ltd., Vancouver, B.C.
6. Zanogen Steel Co. of Canada, Ltd., Toronto, Ont.

H. Chemicals and Allied Products:
1. British Drug Houses (Canada) Ltd., (Non-Mfg.), Toronto, Ont.

I. Miscellaneous:
1. Bovil & Hood (Canada), Ltd., Montreal, P.Q.

France

C. Textiles:
1. Canadian T.S.R. of Lyons, Ltd., Cap de la Madeleine, Que.
2. Henry Potez of Canada, Ltd., Cap de la Madeleine, Que.

Mr. MACKENZIE KING: They are practically all in Ontario and Quebec, are they not?

Mr. BENNETT: With the exception of two, I think. Now, may I just meet a few words of criticism in advance, although perhaps it is unnecessary. The extent of investment in Canadian industry by United States, other foreign countries and Great Britain is a subject of far-reaching importance. All young or undeveloped nations have been dependent on large capital investments by outside countries for the development of their natural resources and for assistance in the establishment of the diversified industry necessary to all-round national development. Without such assistance industrial progress would be slow and desperately difficult. The hardships being endured by the Russian people to-day exemplify the sacrifice which an undeveloped nation would be called upon to make, not for five but many times five years, if that nation were to strive to become industrialized through its own savings of capital. Canada has for many years received large investments from other countries. Fear has sometimes been expressed that these outside nations by starting industries in this country or investing their capital in various Canadian enterprises, commercial, governmental, financial or other, are obtaining a menacing position in our economic life. The facts of the case reveal these fears to be entirely unfounded. A recent bulletin of the bureau of statistics shows that in January, 1930, there were located in Canada 1,199 British, United States and other foreign branch, subsidiary and affiliated firms concerned with manufacturing or production. Of these, 1,023 were from United States, 162 from Great Britain and 14 from other countries. The capital employed in these concerns amounted to $1,818,000,000, ownership of which in individual firms ranged from less than 50 per cent to 100 per cent. In all, 68 per cent or $1,239,000,000 was owned in the United States, 17 per cent or $317,000,000 was owned in Canada, 14 per cent or $257,000,000 in Great Britain and $6,000,000 or less than 1 per cent in other countries.

Even in such branch or subsidiary firms Canadians held nearly 20 per cent interest, and it is a well known fact that the Canadian proportion tends to increase. There have been many instances of firms established in Canada by outsiders eventually passing into Canadian hands.

To see such facts in their proper perspective, however, it is necessary to compare the figures with those of the geographical distribution of ownership of all capital employed in Canada. It is estimated that the amount is $17,500,000,000. This sum includes the bonded indebtedness of Dominion, provincial and municipal governments, investments in railways, manufacturing concerns, mines and metal industries, public utilities, trading establishments, finance, insurance, etc. It includes private capital in domestic enterprises such as farms and homes. Of this sum it is estimated that 65 per cent or $11,500,000,000 is owned in Canada, 20 per cent or $3,500,000,000 in the United States, 13 per cent or $2,200,000,000 in Great Britain and 2 per cent or $300,000,000 in other countries. It is obvious that the control of our enterprises is very predominantly in our own hands. If the basis of comparison be our total national wealth, foreign and British investments are still less significant. Our national wealth is now probably in the neighbourhood of $30,000,000,000; British and foreign investments of capital in Canada are $6,000,000,000 or just 20 per cent. Even of this 20 per cent many millions of dollars are represented by bonds which do not ordinarily carry with them direction or control of industry.

I believe, sir, that any member of this house reading these figures must be impressed with the resource and courage and enterprise of the Canadian people in industrial, agricultural and manufacturing fields of endeavour. Of sums so vast, I do not believe there is any record on the part of any other population equally small and scattered over an area so great.

May I point out now that Canada carries on its business at home and abroad by the application of principles that vary with the administrations of the day. So far as this party is concerned, it directs, and will continue to direct its operations from three angles: first, we believe that we have been entrusted with great resources which it is our duty to develop to the greatest possible extent; secondly, that Canadians are entitled to carry on that development, enjoying an equal opportunity with the other peoples of the world engaged in the development of their respective countries; and, thirdly, that Canadians are entitled to fair competition in carrying forward that development. We meet the last requirement by dumping legislation; we meet the second requirement by tariff legislation; and we meet the first requirement by the courage and enterprise of our people.

Now it has been customary, in the course of very many centuries, for trading peoples to negotiate agreements or treaties with others who are engaged in commerce; and in this regard the Canadian people have not been unlike others. But may I point out this: that Canada, by reason of being a part of the British Empire, has treaties applying to our trading enterprises somewhat different from those that exist in other parts of the world. For instance, Canada has treaties which were made direct by this dominion. That is fact No. 1. We have a treaty with France made on December 15, 1922; one with Italy made on January 4, 1923; one with Belgium made on July 3, 1924; one with the Netherlands made on July 11, 1924; one with Czechoslavakia made on March 15, 1928; and one, modus vivendi, made with Cuba, November 1929.

Then Canada has a second kind of treaty —a treaty made by Great Britain on behalf of the British Empire but which provides that this part of the empire is bound by it only when we accede thereto. Of this kind of treaty we had two, one with Japan, made on April 3, 1911, to which we acceded on May 1, 1913, and one with Spain, made on April 5, 1927, to which we acceded on August 1, 1928.

Again, we have another, a third form of treaty, namely, that which contains a clause providing that the most-favoured-nation terms shall be accorded to Canada if similar treatment is given by this dominion to the country with which the treaty is made. Such treaties we have with Finland, Esthonia, Hungary, Jugoslavia, Latvia, Lithuania, Portugal and Roumania.

Lastly, we have that class of treaty which was made by Great Britain before we became a confederation, or before we negotiated treaties on our own behalf—treaties that bound every part of the British Empire when they were made by Great Britain, long years before we became a dominion. The list is interesting. Of such treaties, there is one with Argentina, made on the 2nd day of February 1825; one with Colombia, made on the 16th day of February 1866; one with Denmark, made on February 13, 1660; one with Norway, made on March 18, 1826; one with Sweden —the oldest of all—made on April 11, 1654; one with Switzerland, made on September 6, 1855; and one with Venezuela, made on April 18, 1825.

These trade treaties exist for the purpose of extending trade and commerce on mutually advantageous terms. For instance, the late government made a treaty with Australia which was extended to New Zealand by order in council on October 1, 1925. It was withdrawn by order in council on October 12, 1930, after it had been in force a little over five years.

Now, the difference between my hon. friends opposite and ourselves is this: we believe in trade treaties that are mutually advantageous to the parties to the treaty. And we believe that the only method by which you can understand and appreciate just what the effect of treaties will be is to have a clear conception of their possible implications; for nothing could be more ruinous than what has transpired during the last few months in connection with the treaties with Australia and New Zealand. We negotiated a treaty with Australia. I may say for the information of the house that that treaty was never signed. That probably was merely an accident or an oversight. The treaty consisted of so many pieces of paper—some twenty-five in all, I believe. Difficulties were experienced; differences arose, parliament was in session, and it became necessary to complete the matter before the rising of the house. And so we passed the statute that ratified that Australian treaty, and made provision therein whereby, by order in council, it might be extended to other countries. On October 1, 1925, it was extended to New Zealand. The right hon. member opposite who leads the opposition to-day (Mr. Mackenzie King), shortly before that, in Woodstock, Ontario, declared that he could not conceive it possible—and he honestly so believed—that the extension of the treaty to New Zealand could be inimical to the trading interests of Canada. But let us see what happened. At that time New Zealand had no channel of trade with Canada for butter. Now, a channel of trade is like any other channel that may be created: it is something which once created cannot as a rule be changed without injury. That channel not having been established in 1925, they began just as an individual would do, to widen and deepen such a channel by sending forward their butter under that treaty at 1 cent per pound. By that means they began to create a channel of trade. That channel grew in size until the imports into this country year by year expanded, reaching at last so colossal a figure as to amount to several millions of dollars for butter alone.

There you have a well-defined, well-established channel of trade between the sister dominion of New Zealand and Canada, with the result that this trade was injurious to the Canadian producer. And the government of the right hon. gentleman opposite—not this government—gave notice terminat-

ing that treaty. They gave notice in April of last year while this house was in session, because the right hon. gentleman was himself convinced that the treaty should be denounced, and he gave six months' notice under the terms of the treaty, terminating that arrangement with New Zealand. With what result? With this result—that when we came into office New Zealand bitterly complained of the situation; they said that they could not entertain the idea that their butter should not continue to come into this country as it had done before. We endeavoured to explain to them that Canada believed that this dominion should also be on an export basis for buter. We pointed out that we were a dairy country and that they must not think that they could displace Canadian produce for their own, excellent though it is. Having pointed that out to them, we continued in our efforts to make some arrangement, some modus vivendi, by which we could carry on reciprocal trade. But for some reason, best known to its government, New Zealand believed that Canada must—I use the word advisedly—buy butter from New Zealand. Either to-day or tomorrow the parliament of New Zealand will refuse the British preference to Canada and they will do so because we are not in a position to let their butter come into this country practically free to supplant our own product. Who is to blame for that? Who is to blame for the unfortunate difficulties which exist between the two great dominions? The government that did not foresee the implications of the treaty it made, and the government that terminated that treaty thereby creating the condition to which I have referred. Let there be no shaking of heads—did or did not the former government terminate that treaty? If it did, then it must accept responsibility. The result is that New Zealand says—very properly so, I suppose, from their standpoint, thinking of themselves alone—that they are not going to permit Canada to have a British preference in their markets unless we allow their butter to come in here.

I cite that for the simple and obvious reason that it becomes necessary to realize that when treaties are made there should be a clear understanding and appreciation of their implications. That is one of the reasons why we endeavoured while in England and since, to arrive at some arrangement with our great sister dominion, Australia, which would not make it necessary to destroy channels of trade and bring about the hard feelings which no doubt would prevail and have prevailed in connection with New Zealand. During the last few months, while he has been in health, the Minister of Trade and Commerce (Mr. Stevens) has been engaged constantly in endeavouring to insure that a reasonable treaty may be made between Australia and Canada. I trust that in furtherance of the unanimous view expressed by the overseas dominions at the Imperial economic conference last year we may be able to negotiate an agreement which will be mutually advantageous to both countries. It is my earnest hope and my confident belief that before this house rises we will submit such a treaty or agreement for the consideration of this house. I cannot permit this opportunity to pass without stating that we are really under an obligation to the government of Australia for the manner in which they have treated us during the last year in connection with butter and its products. They have made it possible for the channels of trade not to be destroyed in such a way as to bring about that condition of mind on the part of their country which now prevails in New Zealand. We are under a great obligation to them for what they have done in that regard.

I mention also another treaty which stands in a somewhat similar position, namely, the treaty negotiated with France. The French treaty provides that a fixed and definite rate must prevail and that we cannot grant to any other country a different rate without violating the provisions of that treaty. In the budget presented to this house in May last there was an interference with the provisions of that treaty, to which the great republic very properly directed our attention. A treaty containing provisions such as that cannot, I submit, ever be a sound treaty because it disregards the fundamental rule which must always obtain in connection with trade treaties and which we propose to continue so far as we are concerned. That rule is this: Treaties must be mutually advantageous; if they are not they fail, and unless there is a clear appreciation of that fact there cannot be other than failure. This rule was stated very clearly the other day by the president of the United States Steel Corporation. Speaking to the National Foreign Trade Convention on May 28, he said: It is a sound economic principle to sell in markets where the product is needed for consumption and where there is no surplus of the same commodity

May I point out to the house that all the domestic trade of this country which represents imports is foreign trade to some other country. If hon. gentlemen opposite will only get in their minds that fundamental thought they will realize that this government on the one hand, desires to maintain the

economic principle to which Mr. Farrell referred and on the second hand, to realize to the full that every import brought into this country from abroad represents foreign trade to some other country. Our business is to see that we do not expand the foreign trade of any other country when we ourselves are producing or can produce the goods so imported.

Mr. MACKENZIE KING: How does my right hon. friend propose to expand the foreign trade of Canada under rules of that kind?

Mr. BENNETT: It is very simple. Does the right hon. gentleman for a moment mean to say that there are not countries which do not produce the commodities which Canada produces and which they require? That is what he is trying to say, and I can tell him that the whole theory upon which trade within the British Empire will ultimately be built up is upon the proper appreciation and realization that the requirements of each part can be filled by requisitioning the production of such commodities from other parts of the empire. The foreign trade of Canada can be built up, just as Mr. Farrell said, by making our arrangements with countries which have to have what we produce and which do not come in competition with the surplus they themselves produce in their own countries.

Hon. gentlemen opposite seem to find some difficulty in working that out. Of course they will find difficulty, for the simple and obvious reason that for nine years the colossal failures they made themselves indicate their inability to do so, and that is why we are here to-day.

Mr. MACKENZIE KING: The colossal trade was not a colossal failure.

Mr. BENNETT: The loss of trade was exactly the same--

Mr. MACKENZIE KING: I said colossal trade.

Mr. BENNETT: —in Canada as in other countries of the world, and we are still the fifth trading country of the world. In other words, the ten millions of people inhabiting this vast territory are the fifth trading people in the world. I will admit that the right hon. gentleman and his friends opposite would like that not to be. They would rejoice if it were not so because it would be of some political advantage to them. Their constant fear seems to be that by the application of business principles to these matters we will insure success, and they have made every effort they could to bring about failure with respect to the Imperial economic conference. Their every effort has been directed in an endeavour to bring about if possible a failure in order that they may derive some political credit. What is more, that is well understood in the various parts of this empire.

Mr. MACKENZIE KING: Could my right hon. friend have asked for more in the way of a free hand than what he had at the last Imperial conference?

Mr. BENNETT: The right hon. gentleman has failed to appreciate what I say—the former Minister of the Interior (Mr. Stewart) never could understand it—hon. gentlemen opposite must realize that I am referring to their efforts to belittle and if possible destroy the adjourned conference at Ottawa. That fact is fairly well understood.

Mr. MACKENZIE KING: Is there to be a conference this fall?

Mr. BENNETT: The hon. gentleman knows that I cannot be diverted by that from this budget. Let me proceed.

Mr. POWER: The hon. gentleman is giving us considerable diversion.

Mr. BENNETT: The hon. gentleman's wit is greater than his understanding.

May I now, having reverted to the question of trade, point out the position which this country occupies amongst the nations of the world and the result of the efforts which were made in September last to ensure that there should be less of other people's products come into competition, on terms that are injurious and destructive to our own industrial well-being, with the products we ourselves produce.

Having done that, I shall now speak of two matters further and then I shall have done in that regard. A few months ago I pointed out that the republic of France, realizing the weakness to which attention was directed with respect to the treaty, had undertaken to increase their purchases of wheat from this country during the current wheat season, and prior to the end of April they had bought six times as much wheat from Canada as during the preceding year. Moreover, notwithstanding the statements that have been made as to the difficulties under which we labour, the statement made by the former Minister of Trade and Commerce that this country could do nothing to sell wheat—selling wheat is something he could not do—all I can say is this: The net result of the situation to-day is that we have sold

at least one-third more wheat than we did for the same period the year before. That is the lowest estimate, and it is increasing very rapidly.

An hon. MEMBER: What about the price?

Mr. BENNETT: The price is just as low this year as it was last with respect to the other countries of the world, but we have endeavoured as best we could, although opposed by hon. gentlemen opposite, to secure the markets, and as a matter of fact, as is shown by the increased exports of wheat, we have to some extent secured them.

WAYS AND MEANS FISCAL YEAR 1931-32

I now come to what probably to some is the most interesting part of our discussion, namely, to what ways and means we shall resort for the purpose of providing the money to carry on the public business. I shall come first of all to a statement of anticipated revenues and expenditures. I will admit that this is the first time for many years that this country has had a budget.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Will any hon. member on the other side of the house say that last year there was any estimate given of expected revenues? Was there any estimate given of expected expenditures? Was there any word given of a $75,000,000 deficit? What did they do? What the then government did was merely to bring down estimates for moneys to be raised by taxation without any estimate of what was to be realized. I said frequently in this house in those days, and I now repeat, that not in any municipal council in this country would the people tolerate their mayor and councillors conducting business without giving an estimate of expected expenditures and revenues for the current year. It is the basis of responsible government, it is the basis upon which representative institutions have been established, and that responsibilty can only attach when there is some estimate as to what is being received by the country from the taxation imposed and as to what expenditures are to be made. So I propose under the heading which I have given to draw attention to these matters. I shall ask hon. gentlemen to go through the record of my predecessors in that regard during the last seven or eight years and see if they can find any such record there. I could have easily escaped doing so. All I would have had to do would have been to follow the example of my predecessors during the past eight years, and I would have escaped all responsibility for giving any figures of what the proposed income and expenditure will be during the present year.

On the basis of existing taxation rates, the anticipated revenues in the present fiscal year will be $325,120,000. A division of the amount by sources is:—

Customs	$117,000,000
Excise duties	59,500,000
Income tax	54,000,000
Excise taxes	38,000,000
Post Office	30,500,000
Interest on investments	8,800,000
Miscellaneous revenues	13,276,000
	321,076,000
German reparation payments and miscellaneous receipts	4,044,000
	$325,120,000

The expenditures for the year, including all statutory charges, are estimated at $430,457,828. A division of these, and a comparison with the actual expenditures last year, are:

	Actual 1930-31	Estimated 1931-32
Ordinary expenditures	$389,560,722	$391,552,085
Unemployment relief	4,431,655	13,000,000
Capital expenditures	28,222,342	18,484,243
Special expenditures	12,357,674	4,378,000
Loans and advances non-active	5,488,264	3,043,500
	$440,060,657	$430,457,828

It will, therefore, be noted that with estimated revenues of $325,120,000 and with estimated expenditures of $430,457,828, parliament must take under consideration ways and means to secure added revenues if the accounts are to be balanced. The sum of $105,337,828 will be required if all expenditures are treated as charges against the year's revenues. On the other hand, if the $18,484,243 on capital account, plus the $1,700,000 estimated to be required by the Quebec harbour commission, which in the foregoing table is included in Loans and Advances non-active are treated as permanent improvements, and paid from borrowings, the additional amount required is $85,153,585. The new imposts to be authorized by the resolutions about to be tabled will, it is hoped, produce an additional

estimated amount of $78,175,000 and for the purpose of showing the increases by sources, a summarized list is now given:

Customs duties	$ 5,000,000
Excise taxes	
Sales tax	52,500,000
Tax on imports	7,500,000
Stamps	1,000,000
Income tax	9,500,000
Post Office	2,175,000
Other taxes	500,000
	$78,175,000

On the basis of the present volume of business, it is estimated that these additional taxes will yield $94,000,000 in a twelve months' period.

To give a comparison of the estimated total revenues for the present year, with the actual revenues of last year, the following is submitted:

	Actual 1930-31	Estimated 1931-32
Customs duties	$131,209,000	$122,000,000
Excise duties	57,747,000	59,500,000
Excise taxes	34,735,000	99,000,000
Income tax	71,048,000	63,500,000
Post Office	30,212,000	32,675,000
Interest on Investments	10,421,000	8,800,000
Miscellaneous Revenue	14,221,000	13,776,000
	$349,593,000	$399,251,000
German reparation payment and Miscellaneous receipts	6,622,000	4,044,000
	$356,215,000	$403,295,000

With estimated expenditures of $410,273,000 exclusive of expenditures on capital account and advances to Quebec harbour commission, but including the balance of $13,000,000 of the unemployment relief appropriation of 1930 and estimated revenues of $403,295,000, the deficiency in revenues under expenditures, based upon the estimates made, will be some $7,000,000.

The $13,000,000 for unemployment relief is a commitment actually made in 1930-31, and would more properly be considered in the accounts of last year, but under the government's system of book-keeping, the actual disbursements not being made until this year due to the time necessary for the usual accounting formalities, they serve to add to the expenditures of the present year. Taking this into consideration, the figures presented indicate a balancing of the budget by a substantial margin in respect of expenditures properly applicable to 1931-32, after excluding capital.

While on the subject of our commitments for the year, let me say that contractual obligations entered into by the harbour commissions of Halifax and St. John under the former administration involving millions of dollars of expenditure for which no parliamentary sanction was in existence will add materially to our financial requirements. It will be necessary for the government to ask parliament to make provision for the implementing of these contracts. The whole matter is under investigation and report but it is possible to say that the amounts involved in these contracts and in ancillary expenditures which are recommended to render the main projects of commercial value will be over $6,000,000 divided about equally between these ports. Also, in respect of the elevator built in 1927 at New Westminster but not yet in operation, some $300,000, in addition to $700,000 already provided by way of guarantee of securities, is asked of this administration to meet commitments made but not provided for.

Included in the expenditures to which I have referred, contemplated for this year, are those provided by the main estimates, and the additional sums which we have provided for supplementaries, besides a sum for old age pensions, increasing our contributions to the provinces from 50 to 75 per cent for this year only in respect of the total sums that are paid. We propose to implement the promise made by the Conservative party at the convention which was held at Winnipeg and at which during the succeeding election I became the mouthpiece of that party and its policies by providing a further sum of $1,800,000 for coal subsidies.

ALBERTA AND EASTERN BRITISH COLUMBIA MOVEMENT

On coal movements from Alberta and the eastern area of British Columbia to the Manitoba market some 100,000 tons have been moved since June of last year.

We now propose to grant a higher rate of assistance on Canadian coal shipped to this market and at the same time extend the area as far east as Fort Frances and Sioux Lookout. The increased assistance now provided should do much to extend the market for Canadian coals. The assistance provided in this case is by the payment of $\frac{1}{7}$ of one cent per ton per ton per mile on coal to Manitoba and $\frac{1}{3}$ of one cent per ton per mile on movements eastward as far as Fort Frances and Sioux Lookout.

Maximum $2 per ton into Ontario.

Maximum $1.50 per ton into Manitoba.

Saskatchewan

Shipments of lignite from the Saskatchewan field will be assisted by a payment of ½ of one cent per ton per mile on movements to Manitoba and that part of Ontario just mentioned. The previous assistance granted amounted to a straight bonus of 50c. per ton applying only to the Manitoba market. This is now extended as far east as Fort Frances and Sioux Lookout.

Maximum $1 per ton.

British Columbia

It appears that with reasonable assistance the coal industry of British Columbia can be improved and with this end in view the government has decided to assist by granting the sum of 25c. per ton on sales of coal sold for fuel, for ships' stores or for export to foreign countries. This assistance will not apply on exports to the United States of America.

There again one is confronted with a situation of great seriousness. The people of the Pacific slope, when they substituted oil for coal, probably did not realize the extent of the injurious effect upon the coal industry. Therefore, along the coast of British Columbia oil burners have been substituted for coal grates, and changes cannot be made without causing tremendous losses in a period of great depression. The same thing applies to other matters, so much so that when the new hotel was built at Vancouver, the pressure to burn oil succeeded over the pressure to have coal used until my hon. friend the Minister of Railways reversed the decision and provided that coal should be burned. There are great merits to the use of oil as a fuel, but it is imported into this country and when the gasoline is taken from it the crude oil becomes available for fuel purposes. Industries have been established using that fuel, and to change back to coal would involve tremendous losses at this time.

New Brunswick

The assistance previously granted to the eastern coal industry did not extend the markets for New Brunswick coal. The assistance now authorized is by a payment of ⅛ of one cent per ton per mile on movements to points in the provinces of Quebec and Ontario.

Maximum $1.50 per ton.

Nova Scotia

Coal movements from the province of Nova Scotia to points in the provinces of Quebec and Ontario are further encouraged by a payment of ⅛ of one cent per ton per mile to Quebec and ⅛ of one cent per ton per mile to Ontario from St. Lawrence ports. An all rail winter movement is also provided by the payment of ½ of one cent per ton per mile.

Maximum 75 cents on the ⅛ rate; maximum $2 on the ½ rate; maximum $1.50 on the ⅛ rate.

Summary

If, under this assistance, the total potential coal markets are secured it should provide a movement of nearly 1,800,000 tons of Canadian coal at a cost of approximately $2,000,000.

That extends until the year 1933, as will be indicated further as we progress.

Shipment of Alberta coal to Ontario at $6.75 freight rate

Order in council P.C. 439, approved 16th March, 1928, authorizing $6.75 rate for seasonal movements of coal from Alberta to Ontario for not less than three months in each year during a period of three years.

Provisions were extended for another year by P.C. 1268 of 5th June, 1930.

Seasonal Movements	Tonnage Shipped	Cost to Government
1928; April 15 to July 15	32,101	$47,509 50
1929; Jan. 15 to July 31	37,115	82,396 55
1929-30; Dec. 1 to July 31	26,156	No payments as yet
1930-1931; Oct. 25 to July 31	12,167	No payments as yet

Provisions have been made for a continuous movement from August 1, 1931, to March 15, 1932.

Findings of Cost by Railway Board

In respect of the 1928 movement the Board of Railway Commissioners reported that payments were to be made by the Government on the cost basis of $8.23 per ton, making $1.48 per ton as the amount to be paid by the government to the railways.

With respect to the 1929 movement the railway board's finding was on the cost basis

of $8.97 per ton, making $2.22 per ton as the amount to be paid by the government.

No decision has been handed down for the 1930 movement.

The third matter to which attention might be directed is that touching the movement of wheat. There has been a succession of bad harvests in some parts of western Canada, and during the last few weeks lack of moisture—I speak subject to correction, I hope—has caused a loss of this year's prospective crop in a great deal of that area. My advices by telephone were that very few days would determine the fate of a considerable portion of the crop. In some parts of the country this is the third crop failure and the reserves of the people are entirely exhausted. Two things must happen: First, provision should be made to assist those who have a crop, because they have considerable obligations, taxes, etc., which must be discharged. Other methods will be taken to deal with the situation of the provinces which are not in a position to assist those who with their reserves exhausted and their crops a failure for the third time are practically ruined. We therefore propose to provide that the freight rates shall be adjusted by this country absorbing five cents per bushel on all wheat that is exported of the crop of this year. That provision is effective this year. That amount is taken into consideration in the estimates I have given of the expenditures for the year.

We propose therefore to indicate now to the house the methods to be adopted for the purpose of raising necessary revenue to meet expenditures. We believe that if the revenues show any appreciable expansion the budget will be balanced at the end of the year. At the most however the expenditures which will be called upon to be met by short date treasury bill transactions will amount to less than $10,000,000. I thus come to the ways and means by which we propose to make good the supply.

Two principles have to be borne in mind; the first is that however tempting the field may be, in a period of great depression departure from known practised methods of taxation should be as slight as possible. In other words there should be as little dislocation of business as possible and the taxes imposed should be those with which the people are familiar. The second is that taxes should be as light as possible having regard to the conditions which prevail. One of the paradoxes of a situation such as the present one is that when money is required, most, the people are least capable of paying it in the form of taxation. That is the condition found in periods of universal depression.

Applying these rules first of all we take up customs duties, or the tariff. By this government the tariff is used for the purposes I have indicated. I should have liked to have a complete revision of the tariff, as I indicated at the short session would take place. However circumstances and conditions over which we had no control made such a revision impossible at the present moment. With that in mind we have undertaken revision of only such items as it was necessary to deal with to ensure the maximum of employment by reason of the operation of the new rates. A similar result was obtained by our action during the last session. I pause at this time to ask hon. members opposite what the condition of this country would have been had there been no short session. I just put that question to my hon. friends. The number of items with which we have dealt and which deal with rate-making included in the resolutions number about two hundred. A feature of the amendments is a provision for the collection of duty by which we follow the modern practice adopted in other countries whereby for duty purposes containers are treated as contents. That provision applies to cheese, powdered milk, macaroni, dried fruits, soap and the like. In almost every case, with only two or three exceptions, changes of rates are confined to the intermediate and general tariffs; in other words, the British preference has been left untouched. In connection with agricultural and other food products there are increases under the intermediate or general tariff, or both, in respect to numerous commodities. The more noticeable items in this class are live hogs, fresh meats, bacons, hams and shoulders; shell eggs, cheese, hops, powdered milk; peas, Indian corn, hay; field, root and garden seeds; canned fruit and vegetables, raisins, oranges.

Another item which has involved much discussion is that concerning the automobile industry. Hon. members will recall that a few weeks ago certain changes were made in the automobile schedule under an order in council which provided that the discount to dealers should not exceed 20 per cent for duty purposes. As is known, automobiles subject to duty at the present time are divided into two classes, those valued up to $1,200 and those ranging from that figure upward. We propose for duty purposes to divide automobiles into three classes: first those valued up

to $1,200, second, from $1,201 to $2,100, and third, above $2,100. In connection with the first named class there are no changes in duties. In connection with the second group the general tariff is increased from 27½ per cent to 30 per cent. On the third group the intermediate and general rates are increased to 30 and 40 per cent respectively. The automobiles in this latter group are what my hon. friend's refer to as luxury cars.

Now I come to the question of drawbacks. It will be recalled that on more than one occasion the hon. member for Macleod (Mr. Coote) pointed out that the drawback of 25 per cent on all the imported commodities which went into the production of an automobile operated, if at all, unfairly on Canadian industry. What we propose to do is this: first, the drawback shall not in any event exceed 60 per cent, and second, the drawback shall not apply to commodities which I shall hereafter enumerate. As indicating the extent to which this country has made progress in the way of developing its industries I should like the house to consider the items upon which drawbacks will not be granted. The articles to which I have referred are as follows:

Rubber tires; wheel rims; wheels, including hubs and drums; tire carriers; tire covers; wheel carriers; brakes, service and emergency; brake linings; brake pedals and operating levers; chassis springs, between frame and axles; shock absorbers, chassis frames; front axles, forged type only; clutch and clutch pedals; universal joints; propeller shafts; transmissions; gear shift levers; rear valves, except banjo housings; radiator cores; exhaust pipes; mufflers; gasoline tanks; running boards and covers; front and rear fenders; bumpers and bumperettes; steering gears; head and tail lights, not including lenses; dome lamps; electric light globes; electric wiring and cable; spark plugs; batteries, starting motors; electric generators; drag links; motor fans; motor fan belts; thrust bearings, ball or plain; motor hoods, sheet metal; motor hood clamps; anti-squeak braids and strips; moulded rubber parts; lubrication fittings; wheel hub caps; sand castings; drop rolled or pressed forgings; bolts, nuts, screws, tacks and studs; head pins and clevis; cotter pins; plain washers; coil springs and seat springs; wood frames for bodies; rubber and pyroxilin covered or doubled top fabrics and curtains; windshields complete; upholstering fabrics and materials other than printed fabrics; rubber tubing and windlaces; floor boards; carpets; window shades; paints and varnishes and solder; stampings of all kinds other than radiator shells, and cowls and body stampings; tool kit equipment, including jacks; robe rails and foot rests; curtain and carpet fasteners; rear view mirrors; gear shift lever knobs; felt parts; clocks, stem winding; window finishing strips.

The list I have given comprises items made in Canada and which it is proposed shall hereafter be used in manufacturing automobiles if duty agreements are not to be made. Canadian manufactured cars using those parts will not receive any drawback, with respect to the other items which have to be used to produce cars in this country the drawback will be 60 per cent instead of 25 per cent.

Closely associated with the automobile question is that of used automobiles. Endeavours to dump such cars into this country have been very noticeable during the last few months. We propose to place used automobiles on the prohibited list, hereafter no used automobiles will be imported into Canada except as settlers' effects or travellers' vehicles.

We come now to another item which will greatly interest the house, I am sure—that is coal. It is proposed to impose a duty of 40 cents per ton on anthracite coal and $1 on coke under the general tariff—free under British preferential tariff. It is proposed that the rate on bituminous coal and coal screenings shall be raised to 75 cents per ton, and that the general tariff rate on charcoal be $7.50 per ton.

The leather schedule secures increased rates under all tariffs, the alterations affecting kid, upper leathers, sole leathers, East India kips, belting leather and belting, glove leathers and leather garments.

We come now to another matter which has been given much attention by legislators during the last twenty-five years, namely, the importation of magazines and periodicals. I was told the other day that at one newsstand there were 350 different magazines and newspapers on sale. As to a very large number of them, certainly some people would be better off if they did not read them.

An hon. MEMBER: All people.

Mr. BENNETT: Yes, all people. We therefore propose that magazines and periodicals shall be made subject to a specific duty of 15 cents per pound, under the general tariff, except in the case of such as may be placed on an exempted list by order in council. At the present time the censor undertakes to exercise some control over these matters—a control

that at times has been more or less difficult. That provision of the tariff as to prohibition of the importation of such publications will remain as at present. Under the direction of the governor in council magazines for educational and scientific and religious purposes will be allowed to enter free.

Tariff changes affecting iron and steel include increases on steel plate, wire netting, machinery, safes and miscellaneous manufactures of iron and steel, with decreases on green saw steel, hot rolled strip steel for cold rolling, various kinds of steel wires and bessemer steel billets.

One of the items that I mentioned in September last about which there has been much discussion in this country is furniture. Last summer I had an opportunity to see many of the furniture factories of this country I found that they were working a very limited time per day but making quite as good furniture as is made in any part of the world, if not better—

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: —but they were subject to dumping competition that certainly was interfering with their trade. We propose to make some slight change in that regard, particularly with respect to furniture, including metal furniture, veneers, ply wood, clothespins, golf clubs, tennis rackets, and so on.

The textile schedules are limited, and the changes very few, the significant one being increases on linen fabrics and articles, excepting damasks, all of which are made in Canada. Damasks,—a tariff on which might affect the trade of northern Ireland—have not been touched. We propose to see that there shall be no increase in price, but that the Canadian industries shall have an opportunity to compete fairly with their competitors. The changes also involve increased tariffs on fabrics of pure silk, with decreases on mohair yarns. With respect to pure silk, we desire to protect our manufacturers from competition with dumped silk from abroad which is sent in here at almost any price. Our silks are the equal of any made in the world; in fact a branch factory in this country is a subsidiary of a company that employs some 50,000 people in the United States.

Prepared roofings, wallboards, insulating materials, and so on, are increased in rates, as are wallpapers and containers.

Building stone of all kinds, both rough and finished, as well as building brick, magnesite and ground feldspar, will bear higher rates than formerly.

No changes are made in respect of farm implements, although the item covering repair parts is extended in point of time. That is, when we increased the duty last year on agricultural implements, we found there were certain repair parts made by companies that had no factory in Canada. I am happy to say they are likely to open one at no distant date. In the meantime parts to repair their machines will continue to come in under the old tariff for another year.

The tariff on clocks and watches is revised, the rate being increased, and provision is made for increases on window glass and laminated glass. I should think there would now be a noise on the other side of the house.

The tea schedule is radically revised, the former free entry of bulk teas under the British preferential tariff being cancelled and replaced by rates of 4 cents, 8 cents, and 8 cents per pound on teas imported direct from place of growth or imported from the United Kingdom, and rates of 10 cents, 10 cents, and 10 cents per pound on teas otherwise imported. It will probably be remembered that at the last general session one item only in the tea schedule was touched, and that tea unless it came in in packages of a certain weight was still subject to a high tariff; it was made free in respect to other packages. It is now proposed to revise that schedule by placing a duty of 4 cents and leaving the rates for other tea items just as they stood, except as to making the tariff applicable to all packages regardless of their weight.

The rates on the so-called "basket" item, that is, the rates covering everything not specified, has been increased to 25 per cent. That is only in keeping with the conditions now obtaining throughout the world.

I have given the principles which govern the application of the tariff to protect Canadians. I put this question to every member of this house: Can Canada in a protected world be other than a protected country?

Mr. YOUNG: Yes.

Mr. BENNETT: Then if that be so it merely means that we are inviting all the protected countries of the world to destroy our own. There is no gainsaying that. It is an unfortunate thing perhaps, but it is true that all the countries of the world are now protected countries, and Canadian products may find access to their markets only by paying very high tolls. Can this country afford to be an unprotected country against the competition of the protected countries of the world?

Some hon. MEMBERS: No.

Mr. BENNETT: We have answered that question in the way I have indicated, and by that answer we stand or fall. By the application of this tariff we are of the opinion that we shall receive substantially increased revenues as I have indicated in the table I have just given to the house.

I next pass to the income tax. We propose to raise additional revenue by increasing the rate on corporations from 8 to 10 per cent—an increase of 2 per cent. The United States rate at the present time is 12 per cent. That additional 2 per cent we will make payable between now and December, free of interest, on the present tax returns. That, we believe, will yield us an additional $8,000,000.

We also propose that there shall be a modification of the present income tax by providing that a 2 per cent rate shall be levied on the returns of all investments made by non-residents in this country. All other countries of which I am aware have such a tax, usually higher than 2 per cent; but in order to attract, if it be necessary, additional capital to this country for safe investment, we are asking that the rate be only 2 per cent. In other words, those from abroad who have formed companies here or put their moneys in trust companies for investment will contribute to our revenue 2 per cent of such income derived from their Canadian investments. We believe that is not an unreasonable rate to charge under existing conditions, being, as I have said, somewhat less than that obtaining in other countries. I am reminded by my friend the Minister of National Revenue (Mr. Ryckman) that those who pay on their Canadian income 2 per cent will receive credit in their own country, wherever it may be, so far as we are able to ascertain, certainly in Great Britain, France and the United States—for the tax thus paid in this country upon production of satisfactory evidence that it has been paid. That is the principle adopted by other countries; on investments made in Great Britain by Canadians the tax paid is credited against their tax bill in this country when they come to pay their income tax.

I may add that it is proposed also during the present session entirely to amend the Income Tax Act. Family corporations will be abolished; it is about time. In addition to that we propose to present a new schedule of rates based upon the experience of the commissioner of taxation. Mr. Walters was asked to prepare, with the aid of his officials, what he conceived to be a proper tax rate for this country, having regard to known conditions. He has done so, and the government proposes to adopt his recommendations. The exemptions will be somewhat increased, but it is thought desirable that the rate should start at one per cent, with another one per cent added with each additional $1,000 of income until the maximum is reached, which will be 25 per cent. In other words, on the larger incomes 25 cents out of each dollar will be paid to the state.

It may amaze the house to learn—and perhaps it will be interesting to hon. members, as it was to me—that the amount of income tax collected in this country since the tax first was put on the statute books, including the business profits war tax, has reached the huge sum of $902,000,000 collected at a cost of $24,000,000. The rate I have mentioned is a little, but not much, greater than the rate prevailing in the United States. There the exemption is $1,500 for unmarried persons and $3,500 for married persons. On the first $4,000 of income the rate is 1½ per cent; on the next $4,000 the rate is 3 per cent, and on the balance the rate is 5 per cent, with a surtax to a maximum of 20 per cent on incomes in excess of $10,000.

In addition it is proposed that dividends from Canadian corporations, up to $10,000, shall be exempt from taxation, to the extent of one-half the income of the taxpayer. In other words, if a man has an income of $20,000 per annum, of which $10,000 is derived as dividends from Canadian corporations, he will not pay a second tax on his dividends, because it has already been paid through the tax paid by the company. That was the law at one time and still is the law in most countries. The limit, however, is $10,000, and the exemption granted shall not in any case exceed one-half of the total income of the taxpayer. If a taxpayer has an income of $30,000 he will be able to obtain credit only for $10,000 of Canadian dividends.

Mr. POWER: May I ask when these changes will come into effect?

Mr. BENNETT: On the 1st day of July; I was just coming to that. The first item I mentioned, that is, the two per cent additional which corporations must pay, will be between now and December 31, with interest, and the other items will become effective on the 1st day of July. The new act will be introduced for the purpose of dealing with next year's taxes. There will be no change in the present individual rates; they will remain for the current year.

I pointed out a moment ago that the Post Office Department has a very substantial deficit. We propose to meet that deficit first of all by adding one cent to the postage rate. That is, the tax is one cent, as it was and is on drop letters, the full rate being two cents, one cent for postage and one cent for tax. We propose to make that of universal application and put back the one cent tax where it was before it was taken off a few years ago. It will be recalled that the government of Great Britain declined to reduce the postal rate in that country from three cents because the revenue was required. The Prime Minister of Australia told me this rate was required also in Australia in order to balance their postal budget. So we propose to obtain the additional revenue by adding the one cent tax, which is now applicable only to drop letters in the city, making the rate three cents in the one case and two cents in the other.

We also propose that the Post Office Department, which every year has lost millions of dollars in the transportation of newspapers and magazines, now shall be reimbursed as far as it is possible to do so, by the payment first of all of a cent and a half per pound instead of one cent per pound on all newspapers and periodicals having a net circulation in excess of ten thousand. The first ten thousand will carry the present rate of one cent, and the weekly newspapers will continue to be carried at the rate in force at this time. The new rate will be one and a half cents, subject to the exception of religious, agricultural, scientific and educational papers and magazines. By these methods we believe we will make nearly a balanced budget of the Post Office Department.

We have then added an additional one per cent special excise tax on all imports that pass through the customs of the country, free or otherwise. That is a special excise tax of one per cent on the invoice price passed by the customs. We have also provided for increase of an additional three per cent in the sales tax. This will put it back where it was some years ago, as hon. members will recall. Last year it was reduced one per cent, and one per cent reductions have been made in other years. We are putting it back to four per cent, adding three per cent to the present rate.

We believe that, with one more addition, these changes will provide a very substantial increase in our revenue. I refer to the stamp tax on cheques. You will recall that the law now provides that cheques for an amount of less than $10 pay no tax, while cheques for over $10 pay two cents. Many people who receive their embossed cheque books have been in the habit of not differentiating between cheques for less than $10 and cheques for more than that amount. It is now proposed that all cheques shall pay two cents, as it is in England. Probably the embossed cheque will enable everyone supplied with cheque books by the banks to carry on their banking operations without inconvenience, and this will add greatly to the revenue of the country. Referring back to the sales tax for a moment, of course that tax is subject to exemptions, which are somewhat circumscribed as compared to those now provided.

Sir, I think it will be agreed that the record of the performance of the Canadian people during the last fifty or sixty years is such as to command the pride of every Canadian and the admiration of most people throughout the world. We now face a period of world wide depression, and it becomes important for us to face what lies before us with courage, with determination and with faith. I am sure there is no Canadian who has not sufficient faith in his country to believe that we cannot fail in building up a great nation; I am sure there is no Canadian who does not realize that to do so we must have not only faith but courage, persistence and determination. Above all we must have that unity of thought and purpose which is so essential at a time like this. Differences of political opinion we can readily understand, but there is a side to the lives of all of us which is not purely political. We are citizens of a great Dominion, and I think we can with fairness—and I trust with a great deal of assurance—appeal to all Canadians regardless of their political views, to unite in the common purpose of insuring that this country, in the greatest trial it has ever had in peace time, does not fail. It must not fail; and if I read a few words which I have extracted from the Chronicles of the Pilgrim Fathers, written over three hundred years ago, I think the house will agree with me that they truly indicate the attitude of mind which we Canadians should all take to the problems that confront us. With these words I will conclude what I have to say:

> It wonderfully encourageth men in their duties, when they see the burthen equally borne; but when some withdraw themselves, and retire to their own particular case, pleasure, or profit, what heart can men have to go on in their business? When men are come together to lift some weighty piece of timber, or vessel, if one stand still and do not lift, shall not the rest be weakened and disheartened? Will not a few idle drones spoil the whole stock of

laborious bees? So one idle belly, one murmurer, one complainer, one self-lover, will weaken and dishearten a whole colony. Great matters have been brought to pass, where men have cheerfully, as with one heart, hand and shoulder, gone about it, both in wars, buildings and plantations; but where every man seeks himself, all cometh to nothing.

These words were written some three hundred and ten years ago at a time of great strain and stress in the new colony that had been founded by the efforts and labours of those who, coming out from the old country, landed at or near Plymouth. They are applicable to-day; and if many of the observations I have made are highly disputatious, as they may be, I feel quite certain that in this great crisis that now faces us, men will not for a single moment be governed and guided entirely by political considerations but rather that they will have an enduring faith in their country, a courage and determination that it shall not fail in the great task in which we are engaged, and that all Canadians, men and women of good will, will unite for the common purpose of advancing the common interest of all our citizens.

I beg to give notice that when the house resolves itself into committee, I shall move the following resolutions:

The Minister of Finance, in Committee of Ways and Means:

Resolved, That it is expedient to amend the Income War Tax Act and to provide:—

1. That the rate of income tax applicable to the income of corporations and joint stock companies for the year one thousand nine hundred and thirty and thereafter, be increased from eight per centum to ten per centum.

Resolved, That it is expedient to amend and consolidate the Income War Tax Act and to provide:—

1. That the Consolidated Act be known as the Income Tax Act (1931) Consolidated;

2. That the exemption for persons presently entitled to three thousand dollars be raised to an exemption of three thousand five hundred dollars;

3. That the provisions relating to family corporations and personal corporations be repealed;

4. That in respect of fiscal periods not coincident with the calendar year the return of income and payment of the tax may be made within four months from the close of the fiscal period and if not so made and paid interest on the tax payable therefrom shall be paid to the thirtieth day of April in the next succeeding calendar year at the rate of six per centum per annum; or to the time of the filing of the return and payment of tax, should such filing and payment be made before the said thirtieth April but in any case the return must be made on or before the thirtieth day of April in the next succeeding calendar year;

5. That income by way of dividends, rentals, interest, royalties or other like income not disclosed by the taxpayer in his return of income shall be added to the other income of the taxpayer in double the amount and the whole taxed under the provisions of the act;

6. That net dividends from Canadian companies liable to corporation tax to the extent of one-half of the taxable income of a taxpayer, shall be exempt from tax up to ten thousand dollars thereof, provided that the exemption shall be allocated, in calculating the tax payable, five hundred dollars to each successive tax rate as in the first schedule to the act provided, commencing with the lowest rate and bracket of income of one per centum until like successive allocations of the dividend income, or fraction thereof, shall have exhausted the dividend exemption provided for;

7. That a tax of two per centum be collected at the source on dividends payable to non-resident shareholders, such deduction to be effected by the companies paying the dividend or trustees receiving the dividend for and on behalf of non-resident persons. The tax shall be deducted at the time of the paying of the dividend by the company or on receipt of the dividend by the trustee and within thirty days thereafter paid to the Receiver General of Canada. Failure to remit the tax deducted shall render the company or trustee personally liable to interest thereon from the date when it should have been paid to the date of payment at the rate of six per centum per annum. Failure to deduct the tax shall render the company or receiving trustee personally liable for the tax which should have been deducted, together with interest thereon at six per centum per annum until paid.

8. That when the assets or shares of a company, having on hand undistributed income at the end of one thousand nine hundred and twenty-nine, are sold directly or through an intermediary to a company, which company issues shares, bonds, notes or other like documents as fully paid up by capitalizing the said undistributed income, then on the redemption of such documents the company redeeming shall pay a tax of four per centum on the amount of such documents redeemed.

9. That in respect of the income for the year one thousand nine hundred and thirty-one and each year thereafter the rates of tax at present imposed on individuals be repealed and the following substituted in lieu thereof:—

"On the first $1,000 or any portion thereof, 1 per centum;

On the amount in excess of $1,000 but not in excess of $2,000, 2 per centum;" and so forth to—

"On the amount in excess of $24,000, 25 per centum."

(See statement attached).

10. These resolutions shall be applicable to the income of the taxation period one thousand nine hundred and thirty-one, with the exception of resolution numbered seven, which shall come into force on the first day of July, one thousand nine hundred and thirty-one.

First Schedule

Rates of Tax Applicable to Persons other than Corporations and Joint Stock Companies

On the first $1,000 or any portion thereof, 1 per centum;

On the amount in excess of $1,000 but not in excess of $2,000, 2 per centum;

On the amount in excess of $2,000 but not in excess of $3,000, 3 per centum;

On the amount in excess of $3,000 but not in excess of $4,000, 4 per centum;

On the amount in excess of $4,000 but not in excess of $5,000, 5 per centum;

On the amount in excess of $5,000 but not in excess of $6,000, 6 per centum;

On the amount in excess of $6,000 but not in excess of $7,000, 7 per centum;

On the amount in excess of $7,000 but not in excess of $8,000, 8 per centum;

On the amount in excess of $8,000 but not in excess of $9,000, 9 per centum;

On the amount in excess of $9,000 but not in excess of $10,000, 10 per centum;

On the amount in excess of $10,000 but not in excess of $11,000, 11 per centum;

On the amount in excess of $11,000 but not in excess of $12,000, 12 per centum;

On the amount in excess of $12,000 but not in excess of $13,000, 13 per centum;

On the amount in excess of $13,000 but not in excess of $14,000, 14 per centum;

On the amount in excess of $14,000 but not in excess of $15,000, 15 per centum;

On the amount in excess of $15,000 but not in excess of $16,000, 16 per centum;

On the amount in excess of $16,000 but not in excess of $17,000, 17 per centum;

On the amount in excess of $17,000 but not in excess of $18,000, 18 per centum;

On the amount in excess of $18,000 but not in excess of $19,000, 19 per centum;

On the amount in excess of $19,000 but not in excess of $20,000, 20 per centum;

On the amount in excess of $20,000 but not in excess of $21,000, 21 per centum;

On the amount in excess of $21,000 but not in excess of $22,000, 22 per centum;

On the amount in excess of $22,000 but not in excess of $23,000, 23 per centum;

On the amount in excess of $23,000 but not in excess of $24,000, 24 per centum;

On the amount in excess of $24,000, 25 per centum.

Resolved, That it is expedient to introduce a measure to amend the Special War Revenue Act and to provide:

That in addition to the tax imposed by Part XIII of the said Act, a Special Excise Tax of 1 per cent be imposed, levied and collected on the duty paid value of all goods imported into Canada, payable by the importer or transferee who takes the goods out of bond for consumption, at the time when the goods are imported, or taken out of warehouse for consumption.

Resolved, further, that any enactment founded on the foregoing resolution shall be deemed to have come into force on the first day of June, one thousand nine hundred and thirty-one; and to have applied to all goods mentioned in the foregoing resolution imported or taken out of warehouse for consumption on and after that date and to have applied to goods previously imported for consumption for which no entry for consumption was made before that day.

Provided, however, that the said tax shall not apply to goods, the duty paid value of which does not exceed twenty-five dollars, unless more than one entry of such goods be made by one importer at one time from one source, in which case the tax shall be applicable;

Provided, further, that this tax shall not apply to articles on which other excise taxes are imposed by Part XI of the said act, nor to British and Canadian coin and foreign gold coin, to donations of clothing for charitable purposes, nor to goods enumerated in customs tariff items 700, 702, 703, 704, 705, 705a, 706 and 707, but shall apply to all other articles of whatsoever nature, which are imported.

That schedule I of the said act be amended by adding thereto:—

Boats, yachts, and motor boats, 5 per cent;

Provided that the tax shall not apply on such boats, yachts, and motor boats upon proof satisfactory to the Minister being produced that these articles will be used for trading or commercial purposes exclusively. This exemption not to apply to these goods when sold to boat liveries or other persons for hire or rental.

That section 86 of the said act be amended by providing that the rate of consumption or sales tax be increased to four per cent;

That the said tax shall apply to sales and deliveries, and that the purchaser shall be furnished with a written invoice of any sale, which invoice shall state separately the amount of such tax, and the tax shall be payable by the purchaser to the licensed vendor and by the licensed vendor to His Majesty, but, in the event that such licensed vendor fails to collect the said tax, it shall be payable by him to His Majesty in accordance with the provisions of section 106 of the said act.

That provision be made whereby all wholesalers will be required to be licensed under the act, and to account for the consumption or sales tax on their sales, excepting those otherwise exempted by the said act.

That the provisions of section 88 of the said act, and all orders in council providing for the payment of 50 per cent of the rate of consumption or sales tax imposed on certain goods, be repealed.

That schedule III of the said act is hereby repealed and the following substituted therefor:

Schedule III

Bread;

Flour, including self-raising flour, oatmeal, rolled oats and cornmeal;

Rolled wheat, buckwheat meal and pea meal;

Animals living;

Live poultry;

Meats and poultry, fresh;

Milk, including buttermilk;

Cream;

Butter;

Cheese;

Lard;

Eggs;

Vegetables, fruits, grains and seeds in their natural state;

Bran, shorts, middlings, alfalfa meal;

Oil cake, oil cake meal;

Grains mixed or crushed for cattle or poultry feed;
Hay, straw;
Nursery stock;
Manuscript;
Bees;
Honey;
Sugar;
Molasses;
Maple syrup;
Corn syrup;
Salt;
Other farm produce sold by the individual farmer of his own production;
Ice;
Fish and products thereof not canned or medicated;
Ores of metals of all kinds;
Fuel of all kinds, not to include fuel for use in internal combustion engines;
Gold and silver in ingots, blocks, bars, drops, sheets or plates unmanufactured;
British and Canadian coin and foreign gold coin;
Logs and round unmanufactured timber;
Fence posts, railroad ties, pulpwood, tan bark, and other articles the product of the forest, when produced and sold by the individual settler or farmer;
Newspapers and quarterly, monthly and semi-monthly magazines and weekly literary papers unbound;
Radium;
Electricity;
Gas manufactured from coal, calcium carbide or oil for illuminating or heating purposes;
Artificial limbs, and parts thereof;
Artificial eyes;
Donations of clothing and books for charitable purposes;
Settlers' effects;
War veterans' badges;
Memorials or monuments erected in memory of soldiers who fell in the Great war;
Articles imported for the use of the governor general;
Articles imported for the personal or official use of the High Commissioner for the United Kingdom in Canada, ministers of foreign countries or consuls general who are natives or citizens of the country they represent and who are not engaged in any other business or profession;
Fertilizers;
Raw furs;
Wool not further prepared than washed;
Insulin;
Calf, cattle, hog or poultry feed;
Cream separators and parts thereof;
Vegetable plants;
Pot barley;
Pearl barley;
Split peas;
Barley meal;
Woollen rolls or wool yarn milled for a producer of wool from such wool supplied by him for his own use;
Bakers' cake and pies, not to include biscuits;
Official stationery imported by His Majesty's Trade Commissioners in Canada from His Majesty's Stationery Office in England;

[Mr. Bennett.]

Crushed stone, sand, gravel or rubble, produced or manufactured by any municipality exclusively for use in building or maintaining its roads or sidewalks, and not for sale.

Bibles, missals, prayer-books, psalm and hymn books, religious tracts, and Sunday school lesson pictures.

Bells, when imported for use in churches only.

Apples, dried, desiccated or evaporated.

Goods enumerated in customs tariff items—

173. Books, embossed, and grooved cards for the blind; and books for the instruction of the deaf and dumb and blind; maps and charts for the use of schools for the blind;

409a. Milking machines and attachments therefor; centrifugal machines for testing butter fat, milk or cream; pasteurizers for dairying purposes; complete parts of all the foregoing;

409b. Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing;

409c. Ploughs: farm, field, lawn or garden roller; soil packers; complete parts of all the foregoing;

409d. Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine separators including the motive power incorporated therein, and complete parts of all the foregoing;

409e. Spraying and dusting machines and attachments therefor, including hand sprayers for farm purposes only; animal dehorning instruments; fruit or vegetable grading machines and attachments therefor; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; and complete parts of all the foregoing;

409f. Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only, post hole diggers, snaths, stumping machines and all other agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing;

409g. Incubators for hatching eggs, brooders for rearing young fowl, and complete parts of all the foregoing;

409j. Fanning mills; peaviners; corn husking machines; threshing machine separators, including wind stackers, baggers, weighers and self-feeders therefor; complete parts of all the foregoing;

409k. Windmills and complete parts thereof, not including shafting;

409n. Portable engines with boilers, in combination, for farm purposes; horse powers and traction engines for farm purposes, n.o.p.; and complete parts of all the foregoing;

409o. Equipment for generating electric power for farm purposes only, viz.: engine, gas tank, generator, storage battery, and switch-board; and complete parts of all the foregoing;

439c. Farm wagons, farm sleds, logging wagons, logging sleds, and complete parts thereof;

439d. Freight wagons, drays, sleighs, n.o.p., and complete parts thereof;

464. Steel dies, of a class or kind not made in Canada, valued at not less than one thousand dollars each, for use exclusively in stamping metal sheets or metal plates. . . . Provided that such dies shall be exported from Canada under customs supervision within three months from the date of import entry;

480. Crutches or specially constructed staffs for cripples;

538. Binder twine or twine for harvest binders;

695a. Paintings in oil or water colours and pastels, valued at not less than twenty dollars each; paintings and sculptures by artists domiciled in Canada but residing temporarily abroad for purposes of study, under regulations by the minister;

700. Animals and articles brought into Canada temporarily and for a period not exceeding three months, for the purpose of exhibition or of competition for prizes offered by any agricultural or other association. . . . Provided a bond shall be first given in accordance with regulations prescribed by the minister, with the condition that the full duty to which such animals or articles would otherwise be liable shall be paid in case of their sale in Canada or if not reexported within the time specified in such bond;

701. Menageries, horses, cattle, carriages and harness of, under regulations prescribed by the minister;

702. Carriages for travellers, and carriages laden with merchandise, not to include circus troupes or hawkers, under regulations prescribed by the minister;

703. Travellers' baggage, under regulations prescribed by the minister;

704. Apparel, wearing and other personal and household effects, not merchandise, of British subjects dying abroad, but domiciled in Canada; books, pictures, family plate or furniture, personal effects and heirlooms left by bequest;

Articles admitted to free entry under customs tariff item—

692. Coins, cabinets of; collections of medals and collections of postage stamps; medals of gold, silver or copper, and other metallic articles actually bestowed as trophies or prizes and received and accepted as honorary distinctions, and cups or other metallic prizes (not usual merchantable commodities) won in bona fide competitions;

That any enactment founded on the foregoing resolutions shall come into force on the first day of June, one thousand nine hundred and thirty-one.

Resolved, That it is expedient to amend the Special War Revenue Act, chapter one hundred and seventy-nine of the revised statutes of Canada, 1927, as amended by chapter fifty of the statutes of 1928, chapter fifty-seven of the statutes of 1929 and chapter forty-three of the statutes of 1930, and to provide:—

1. That every insurance company, other than life and marine insurance companies and fraternal benefit societies, shall pay for consolidated revenue fund a tax of one per centum upon the net premiums received by the company in Canada, on and after the first day of October, 1931.

2. That every person resident in Canada who insures or has insured his property situate in Canada, or any property situate in Canada in which he has an insurable interest, other than that of an insurer of such property, with any British or foreign company, association of persons or underwriters not licensed under the provisions of the Insurance Act to transact business in Canada, shall, on or before the first day of March in each year, pay for consolidated revenue fund, a tax of fifteen per centum of the gross premiums payable during the preceding calendar year by such person for such insurance effected or in force on or after the first day of October, 1931.

Resolved, That it is expedient to introduce a measure to amend the Special War Revenue Act, chapter one hundred and seventy-nine of the revised statutes, and to provide that the stamp tax on each cheque, receipt for money paid by a bank, money order, traveller's cheque, or post office money order shall be two cents, and that the stamp tax on each postal note issued shall be one cent; thereby removing the exemption from stamp taxes of such instruments issued for amounts not exceeding ten dollars, provided for in parts six, eight and nine of the said act.

Resolved, That it is expedient to introduce a measure to amend section seventy-one of the Special War Revenue Act, chapter one hundred and seventy-nine of the revised statutes, and to provide that there shall be levied and collected on every letter for transmission by post for any distance within Canada a tax of one cent, in addition to postage payable.

Resolved, That it is expedient to amend the Post Office Act, chapter one hundred and sixty-one of the revised statutes of Canada, 1927, and to provide:—

That subsection three of section twenty-three of the said act be repealed and the following substituted therefor:—

(3) Newspapers and periodicals which are required to be transmitted for a greater distance than is mentioned in the last preceding subsection, or the publication of which is of greater frequency than once a week, and the newspapers and periodicals described in the immediately preceding subsection, upon any copies in excess of the circulation of two thousand five hundred copies, shall be subject to postage at the rate of one and one-half cents on and after the first day of July, one thousand nine hundred and thirty-one,

for each pound weight or any fraction of a pound weight, and such postage shall be prepaid by postage stamps or otherwise as the Postmaster General from time to time directs; provided that the newspapers and periodicals in question which have a circulation of not more than ten thousand copies per issue shall remain subject to postage at the rate of one cent for each pound weight or any fraction of a pound weight as heretofore; provided, further, that the newspapers and periodicals in question which are devoted to religion, the sciences, or agriculture, shall remain subject to postage at the rate of one cent for each pound weight or any fraction of a pound weight as heretofore.

1. Resolved, That it is expedient to amend the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, as amended by chapter thirteen of the Acts of 1930 (first Session), and chapter three of the Acts of 1930 (second Session), by repealing sections two to eighteen, inclusive, thereof and by substituting the following therefor:

"2. In this Act and in any other Act relating to the Customs, unless the context otherwise requires,

(a) "free" in any one of the said tariff columns means that the goods opposite which the word appears, and to which the tariff in the said column applies, may be imported and taken out of warehouse for consumption in Canada, without duty;

(b) "gallon" means an Imperial gallon;

(c) "hoop, band and strip" when applied to iron or steel mean flat forms not more than fourteen inches in width and less than .1875 inch in thickness;

(d) "in diameter" when applied to pipes and tubes means the actual inside diameter;

(e) "iron" includes "steel";

(f) "M. ft." represents and has the meaning of the words "one thousand feet board measure";

(g) "n.o.p." represents and has the meaning of the words "not otherwise provided for";

(h) "p.c." in any one of the tariff columns in Schedule A to this Act represents and has the meaning of the words "per centum, ad valorem";

(i) "plate" when applied to iron or steel means a rectangle, circle or sketch as cut in a plate mill, more than fourteen inches in width and .1875 inch or more in thickness, with variations from such thickness not exceeding .015 inch;

(j) "proof", "proof spirit" or "proof spirits", when applied to wines or spirits of any kind, means spirits of a strength equal to that of pure ethyl alcohol compounded with distilled water in such proportions that the resultant mixture shall at a temperature of sixty-two degrees Fahrenheit have a specific gravity of 0.9187 as compared with that of distilled water at the same temperature;

(k) "rolled iron" or "rolled steel" means iron or steel hot rolled only;

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(l) "sheet" when applied to iron or steel means a rectangle more than fourteen inches in width and less than a plate in thickness;

(m) "ton" means two thousand pounds avoirdupois.

2. The expressions mentioned in section two of the Customs Act, whenever they occur herein or in any Act relating to the Customs, unless the context otherwise requires, have the meaning assigned to them respectively by the said section two; and any power conferred upon the Governor in Council by the Customs Act to transfer dutiable goods to the list of goods which may be imported free of duty or to reduce the rates of duty on dutiable goods is not hereby abrogated or impaired.

3. Subject to the provisions of this Act and of the Customs Act, there shall be levied, collected and paid upon all goods enumerated, or referred to as not enumerated, in Schedule A to this Act, when such goods are imported into Canada or taken out of warehouse for consumption therein, the several rates of duties of Customs, if any, set opposite to each item respectively or charged on goods as not enumerated, in the column of the tariff applicable to the goods, subject to the following conditions, viz.:—

(a) The rates of customs duties, if any, set forth in column (1), "British preferential tariff", shall apply to goods the produce or manufacture of the following British countries when conveyed without transhipment from a port of any British country enjoying the benefits of the British preferential tariff into a sea, lake or river port of Canada:—

(i) The United Kingdom,
(ii) The British colony of Bermuda,
(iii) The British colonies commonly called the British West Indies, including the following:—
The Bahamas,
Jamaica,
Turks and Caicos Islands,
The Leeward Islands (Antigua, St. Christopher-Nevis, Dominica, Montserrat and the Virgin Islands),
The Windward Islands (Grenada, St. Vincent and St. Lucia),
Barbados,
Trinidad and Tobago,
(iv) British Guiana,
(v) British India,
(vi) Ceylon,
(vii) Straits Settlements,
(viii) New Zealand,
(ix) Union of South Africa,
(x) Southern Rhodesia,
(xi) any other British colony or possession admitted to the benefits of the British preferential tariff in Canada, in the manner hereinafter provided;

Provided, however, that goods entitled to the benefits of the British preferential tariff shall be accorded such benefits when such goods are shipped on a through bill of lading consigned to a consignee in a specified port in Canada when such goods are transferred at a port in a British possession, and conveyed without further transhipment into a sea, lake or river port of Canada;

(b) The rates of customs duties, if any, set forth in column (2), "Intermediate tariff,"

shall apply to goods the produce or manufacture of any British or foreign country to which the benefits of such intermediate tariff shall have been extended in the manner hereafter provided, when imported direct from such foreign country or from a British country;

(c) The rates of customs duties, if any, set forth in column (3), "General Tariff," shall apply to all goods not entitled to admission under the intermediate tariff or under the British preferential tariff;

(d) Proof of origin, as prescribed by the minister shall be furnished with the bill of entry at the custom-house for goods admitted to entry under any of the tariffs in Schedule A; and the decision of the Minister shall be final as to the tariff or surtax applicable in any case to imported goods by reason of their origin;

(e) Goods for which entry is claimed under the intermediate tariff must be bona fide the produce or manufacture of a country which has been admitted to the benefits of the intermediate tariff;

(f) Every manufactured article to be admitted under the British preferential tariff must be bona fide the manufacture of a British country entitled to the benefits of the British preferential tariff, and a substantial portion of the value of the manufactured article must have been produced by labour in one or more of such countries.

2. The governor in council may make such regulations as are deemed necessary for carrying out the provisions of the several tariffs mentioned in this section.

"4. The governor in council may, by order in council,

(a) from time to time, extend the benefit of the British preferential tariff to any British country not named in paragraph (a) of section three, and from and after the publication of such order in council in the Canada Gazette the British preferential tariff shall apply to goods the produce or manufacture of such British country, subject to the provisions of this Act;

(b) from time to time, withdraw the benefit of the British preferential tariff from any British country, other than the United Kingdom, which has received the said benefit, and from and after the publication of such order in the Canada Gazette, the general tariff or the intermediate tariff, as mentioned in the said order, shall apply to goods the produce or manufacture of such British country, subject to the provisions of this Act;

(c) from time to time, extend the benefit of the British preferential tariff to any territory administered under a mandate of the League of Nations by any British country, to which British country the benefit of the British preferential tariff has been extended; and from and after the publication of such order in council in the Canada Gazette the British preferential tariff shall apply to goods the produce or manufacture of such territory, subject to the provisions of this Act;

(d) from time to time, withdraw the benefit of the British preferential tariff from any territory administered under a mandate of the League of Nations which has received said benefit; and from and after the publication of such order in the Canada Gazette, the general tariff or the intermediate tariff, as mentioned in the said order, shall apply to goods the produce or manufacture of such territory subject to the provisions of this Act;

(e) from time to time, extend to any British country the benefit of rates of customs duties more favourable than those of the British preferential tariff, and from and after the publication of such order in the Canada Gazette, the rates of duties so ordered shall apply to goods the produce or manufacture of such British country, subject to the provisions of this Act;

(f) from time to time, withdraw from any British country to which they have been extended rates of customs duties more favourable than those of the British preferential tariff, and from and after the publication of such order in the Canada Gazette, the British preferential tariff or the intermediate tariff, as directed in the said order, shall apply to goods the produce or manufacture of such British country, subject to the provisions of this Act;

(g) from time to time, extend the benefit of the intermediate tariff, in whole or in part, to any British or foreign country the produce or manufactures of which have previously been subject to the rates of customs duties set forth in the general tariff, and from and after the publication of such order in the Canada Gazette, the rates of duty set forth in the intermediate tariff, so far as they are mentioned in the said order, shall apply to goods the produce or manufacture of such British or foreign country, when imported direct from such foreign country or from a British country, subject to the provisions of this Act;

(h) from time to time, withdraw the benefit of the intermediate tariff from any country to which it has been extended, and from and after the publication of such order in the Canada Gazette the rates of customs duties set forth in the general tariff shall apply to goods the produce or manufacture of such country, subject to the provisions of this Act.

"5. The importer of goods entitled to the benefits of the British preferential tariff shall be entitled to a discount of ten per centum on the amount of duty computed under such tariff, when such goods are conveyed without transhipment from a port of a country enjoying the benefits of the British preferential tariff into a sea, lake or river port of Canada.

2. Goods entitled to the benefits of the British preferential tariff shall be entitled to the discount authorized by this section, when shipped on a through bill of lading consigned to a consignee in a specified port in Canada, when such goods are transferred at a port in a British possession and conveyed without further transhipment into a sea, lake or river port of Canada.

3. The discount mentioned in this section shall not apply to duties on any of the following articles, viz., wines, malt liquors, spirits, spirituous liquors, liquid medicines and articles containing alcohol; sugar, tobacco, cigars and cigarettes.

4. The said discount shall not apply in the case in which the duty does not exceed fifteen per centum ad valorem, or, in the case of a specific duty or a specific and ad valorem duty combined in which the computed rate does not exceed fifteen per centum ad valorem, or to

goods admitted into Canada which have the benefit of reductions provided for in the Canada-West Indies Trade Agreement, 1926.

"6. In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, or is less than the fair market value or value for duty thereof as determined under the provisions of section thirty-six of the Customs Act, or is less than the fair market value thereof as fixed by the Governor in Council under the provisions of section thirty-seven of the Customs Act, or is less than the value for duty thereof as determined by the minister under the provisions of paragraphs (a) and (e) of section forty-one of the Customs Act, or is less than the fair market value thereof as fixed by the minister under the provisions of section forty-three of the Customs Act, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof or value for duty thereof; and such special or dumping duty shall be levied, collected and paid on such article although it is not otherwise dutiable.

Provided that the said special duty shall not exceed fifty per cent ad valorem in any case, and the following goods shall be exempt from such special duty, viz.:—

Goods of a class subject to duty under the Excise Act.

Provided, notwithstanding, that on importations from Australia under the Australian Trade Agreement Act, 1925, the said special duty shall not exceed fifteen per cent ad valorem in any case.

Notwithstanding anything in this Act contained the levying and collection heretofore of special or dumping duty in cases where the fair market value of goods was determined by the minister, acting or purporting to act under the provisions of section forty-seven A of the Customs Act, as enacted by section three of chapter eighteen of the Statutes of 1922 (section forty-three of the Customs Act, R.S., 1927), is hereby ratified and confirmed.

2. Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the British preferential tariff, intermediate tariff, or any tariff more favourable than the general tariff.

3. Customs duties of the United Kingdom shall be disregarded in estimating the market value of wines for the purposes of special duty when the same are entitled to entry under the intermediate tariff or any tariff more favourable than the general tariff and are bottled in bond in the United Kingdom and imported direct therefrom.

4. "Export price" or "selling price" in this section shall be held to mean and include the exporter's price for the goods, exclusive of all charges thereon after their shipment from the place whence exported directly to Canada.

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5. If at any time it appears to the satisfaction of the minister that the payment of the special duty by this section provided for is being evaded by the shipment of goods on consignment without sale prior to such shipment, the minister may in any case or class of cases authorize such action as is deemed necessary to collect on such goods or any of them the same special duty as if the goods had been sold to an importer in Canada prior to their shipment to Canada.

6. If at any time it appears to the satisfaction of the minister that any person owning or controlling or interested in a business in Canada and also in any other country, or any person carrying on a business in any other country and owning or controlling or interested in a business operating in Canada, and by reason thereof is enabled to import goods for further manufacture or assembling or for resale, and while complying with the legal requirements on importation disposes of such imported goods, whether in the form as imported or as further processed, assembled or manufactured, at prices below the duty paid value thereof as entered at customs plus or including all charges upon the goods after shipment from the place whence exported directly to Canada, including sales, distribution and advertising costs, and plus, if any, the cost of processing, assembling or further manufacturing in Canada, the minister may declare that goods of such class or kind were and are on importation subject to an additional special or dumping duty not exceeding fifty per cent and authorize such action as is deemed necessary for the collection thereof.

7. If the full amount of any special duty of customs as herein provided has not been paid on goods imported, the customs entry thereof shall be amended and the deficiency paid upon the demand of the collector.

8. The minister may make such regulations as are deemed necessary for carrying out the provisions of this section and for its enforcement.

"7. Goods imported into Canada the product or manufacture of any foreign country which treats imports from Canada less favourably than those from other countries, may be made subject by order of the governor in council in the case of goods already dutiable to a surtax over and above the duties specified in Schedule A to this Act, and in the case of goods not dutiable to a rate of duty, not exceeding, in either case, thirty-three and one-third per centum ad valorem.

2. Goods the product or manufacture of any foreign country imported into Canada in vessels admitted to registration under the laws of such foreign country may, if such foreign country imposes higher duties of customs upon goods imported into such country in vessels registered in Canada than upon the like goods when imported in vessels of such country, be made subject by order of the governor in council in the case of goods already dutiable to a surtax over and above the duties specified in Schedule A to this Act, and in the case of goods not dutiable to a rate of duty, not exceeding, in either case, thirty-three and one-third per centum ad valorem.

3. Within the limitations in this section hereinbefore prescribed any such goods may by such order in council be made subject to a

surtax or rate, as the case may be, differing from the surtax or rate to which another class of goods may be thereby, or by any other such order, made subject.

4. The governor in council may make regulations for carrying out the purposes of this section and may by order in council suspend the surtax or rate in whole or in part from application to the goods of such foreign country or any class of such goods.

5. The decision of the governor in council shall be final on any question which may arise regarding the application of the surtax or rate imposed pursuant to this section.

"8. Notwithstanding anything in this Act, fish and other products of the fisheries of Newfoundland may be imported into Canada free of customs duty until otherwise determined by the governor in council, by order published in the Canada Gazette.

"9. Fish caught by fishermen in vessels registered in Canada or owned by any person domiciled in Canada, and the products thereof carried from the fisheries in such vessels, shall be admitted into Canada free of duty. The Minister may make such regulations, if any, as are deemed necessary for carrying out the provisions of this section.

"10. Notwithstanding anything in this Act, goods other than tobacco, cigars, cigarettes, spirituous or alcoholic liquors and articles specified in Schedule A of the West Indies Trade Agreement Act, the produce or manufacture of British Honduras, Bermuda, the Bahamas, Jamaica, Turks and Caicos Islands, the Leeward Islands (Antigua, St. Christopher-Nevis, Dominica, Montserrat and the Virgin Islands), the Windward Islands (Greneda, St. Vincent and St. Lucia), Barbados, Trinidad and Tobago, and British Guiana, when imported direct therefrom shall not be subject at any time to more than fifty per centum of the duties imposed on similar goods as set forth in the general tariff under regulations by the minister.

"11. The governor in council may by order in council make such reductions of duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for reductions on Canadian products granted by any such country or countries.

"12. On the materials set forth in Schedule B to this Act, when used for consumption in Canada for the purpose specified in that Schedule, there may be paid, out of the Consolidated Revenue Fund, the several rates of drawback of Customs duties set opposite to each item respectively in that Schedule, under regulations by the governor in council.

2. If pig iron imported into Canada mixed with pig iron made in Canada has entered into the manufacture of mowing machines, reapers, harvesters, binders and attachments for binders, the drawback payable in pursuance of this section, under regulations by the governor in council, may be computed on the total quantity of pig iron, including pig iron made as aforesaid entering into such goods; provided, however, that the total drawback payable shall not exceed ninety-nine per cent of the duty paid on all the pig iron imported and used by the manufacturer of such goods in manufacturing such goods and other goods.

"13. The importation into Canada of any goods enumerated, described or referred to in Schedule C to this Act is prohibited; and any such goods imported shall thereby become forfeited to the crown and shall be destroyed or otherwise dealt with as the minister directs; and any person importing any such prohibited goods, or causing or permitting them to be imported, shall for each offence incur a penalty not exceeding two hundred dollars.

"14. The governor in council may, from time to time, prohibit the importation into Canada of any goods originating in and exported directly or indirectly from any country not a contracting party to the Treaty of Versailles, executed at Paris, France, on the 28th day of June, 1919, and any order of the governor in council prohibiting the importation into Canada of any goods from any such country shall be published in the next following issue of the Canada Gazette. Any goods imported in violation of the terms of this section shall be forfeited to the crown and shall be dealt with as the minister directs.

"15. Whenever the governor in council deems it to be in the public interest to inquire into any conspiracy, combination, agreement or arrangement alleged to exist among manufacturers or dealers in any article of commerce to unduly promote the advantage of the manufacturers or dealers in such article at the expense of the consumers, the governor in council may commission or empower any judge of the Supreme Court, or of the Exchequer Court of Canada, or of any superior court or county court in Canada, to hold an inquiry in a summary way and report to the governor in council whether such conspiracy, combination, agreement or arrangement exists.

2. The judge may compel the attendance of witnesses and examine them under oath and require the production of books and papers, and shall have such other necessary powers as are conferred upon him by the governor in council for the purpose of such inquiry.

3. If the judge reports that such conspiracy, combination, agreement or arrangement exists in respect of such article, the governor in council may admit the article free of duty, or so reduce the duty thereon as to give to the public the benefit of reasonable competition in the article, if it appears to the governor in council that such disadvantage to the consumer is facilitated by the duties of customs imposed on a like article.

"16. The governor in council may from time to time, as he deems it expedient, order that goods of any description or class specified in such order, imported into Canada, shall be marked, stamped, branded or labelled in legible English or French words, in a conspicuous place that shall not be covered or obscured by any subsequent attachments or arrangements, so as to indicate the country of origin; and said marking, stamping, branding or labelling shall be as nearly indelible and permanent as the nature of the goods will permit.

2. All orders made by the governor in council under this section shall have effect from and after the day on which the same are published in the Canada Gazette, or from and after such later day as is appointed for the purpose of such orders, and during such time as is therein expressed, or if no time is ex-

pressed for that purpose, then until the same are revoked or altered.

3. All such goods imported into Canada after the date of the coming into force of any such order of the governor in council which do not comply with the requirements of such order, shall be subject to an additional duty of ten per centum ad valorem to be levied on the value for duty purposes, and in addition such goods shall not be released from customs possession until they have been so marked, stamped, branded or labelled under customs supervision at the expense of the importer.

4. If any person shall violate any of the provisions so established relating to the marking, stamping, branding or labelling of any such imported goods, or shall deface, destroy, remove, alter or obliterate any such marks, stamps, brands or labels, with intent to conceal the information given by or contained in such marks, stamps, brands or labels, he shall be liable on summary conviction to a penalty not exceeding one thousand dollars, or to imprisonment not exceeding one year, or to both fine and imprisonment.

5. The Minister may make such regulations as are deemed necessary for carrying out the provisions of this section and for the enforcement thereof.

"17. In the event of producers of goods taking advantage of any duty imposed under this Act to increase the price of such goods to the consumer, or using any such duty to maintain prices at levels deemed by the governor in council to be higher than should prevail, having regard to general economic conditions in the country, the governor in council may reduce or remove such duty.

2. In the event of any one such producer violating the provisions of this section, the governor in council may impose upon all the products of such producer, or any of them, an excise duty equivalent to the amount of customs duty which would be paid by such goods if the same were imported into Canada under the provisions of the general tariff, and the same shall be collectible, as a tax, and the provisions of the Income War Tax Act as to the collection of taxes shall be applicable hereto.

Provided, that neither subsection of this section shall apply to agricultural products.

2. Resolved, That Schedule A to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the Acts of 1928, chapter thirty-nine of the Acts of 1929, chapter thirteen of the Acts of 1930 (first Session) and chapter three of the Acts of 1930 (second Session), be further amended by striking thereout tariff items 2, 6, 7, 8, 10, 15, 16, 17, 20a, 28a, 29a, 35, 39, 48, 55, 63, 67, 69, 71, 71a, 72, 72a, 72b, 73, 74, 75, 76, 89, 90, 99a, 99c, 99d, 101, 105d, 106, 120, 139, 168, 184, 192, 195, 199b, 207, 210, 210b, 230, 238a, 265, 282, 296b, 296c, 296d, 305, 306, 306a, 306b, 307, 308, 318, 326b, 327a, 348, 348b, 348c, 356, 366, 368, 380, 386 (f), 386 (g), 386 (m), 386 (n), 386 (o), 402a, 403b, 409e, 409q, 412, 422a, 427a, 438a, 438c, 438d, 440c, 440j, 445a, 445e, 446a, 451a, 451d, 461, 476b, 479, 506a, 507, 507a, 511, 516, 519, 521a, 536, 550d, 560a, 564, 569c, 578, 586, 588, 597, 604, 605, 605a, 606, 607, 608, 609, 613, 624, 651, 651a, 652, 653, 655, 665a, 670, 682a, 711, 796, 798. The several enumerators of goods, respectively, and the several rates of duties of customs, if any, set opposite thereto, and by inserting the following items, enumerations and rates of duty in said Schedule A:

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
2	Domestic fowls, pure-bred, for the improvement of stock, homing or messenger pigeons, and pheasants.	Free	Free	Free
6	Live hogs.....per pound	Free	1¼ cts.	3 cts.
7	Meats, fresh, n.o.p.:			
	(a) Beef and veal.....per pound	4 cts.	6 cts.	8 cts.
	(b) Lamb and mutton.....per pound	4 cts.	6 cts.	8 cts.
	(c) n.o.p.....per pound	2 cts.	2½ cts.	5 cts.
8	Canned meats, poultry or game; extracts of meat and fluid beef, not medicated.....	15 p.c.	30 p.c.	35 p.c.
9a	Quails, partridges, and squabs, dead or alive, n.o.p.	10 p.c.	20 p.c.	30 p.c.
9b	Rabbits, frozen, when imported exclusively for fox-feeding purposes.....	12½ p.c.	17½ p.c.	20 p.c.
10	Meats, prepared or preserved, other than canned:—			
	(a) Bacon, hams, shoulders and other pork.....per pound	Free	1¾ cts.	5 cts.
	(b) n.o.p.....per pound	Free	3 cts.	6 cts.
15	Beeswax.....	15 p.c.	20 p.c.	20 p.c.
16	Eggs in the shell.....per dozen	2 cts.	5 cts.	10 cts.
17	Cheese.....per pound When in packages weighing two pounds, each, or less, the weight of such packages to be included in the weight for duty.	3 cts.	7 cts.	7 cts.
20a	Butter produced from the cocoa bean.....per pound The governor in council may, when satisfied that cocoa butter is produced in Canada in quantity and quality sufficient to meet Canadian requirements, by Order in Council direct that there be substituted for this item in Schedule A to the Customs Tariff, the following:	Free	2 cts.	2 cts.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
	Butter produced from the cocoa bean.....per pound From and after the publication of such Order in Council in the Canada Gazette, this item as it appears in said schedule at the time of the passing of this Act shall be repealed and the provisions of the said Tariff Item as it appears in the last preceding subsection of this section shall be substituted therefor.	3 cts.	4 cts.	4 cts.
28a	Tea, imported direct from the country of growth and production or purchased in the United Kingdom.....per pound When in packages weighing five pounds, each, or less, the weight of such packages to be included in the weight for duty. Provided, that tea shall be entitled to entry under the British preferential tariff upon evidence satisfactory to the Minister that such tea has been produced wholly in the British dominions, colonies or possessions, and not otherwise.	4 cts.	8 cts.	8 cts.
29a	Tea, n.o.p.....per pound When imported in packages weighing five pounds, each, or less, the weight of such packages to be included in the weight for duty.	10 cts.	10 cts.	10 cts.
35	Hops.....per pound	8 cts.	16 cts.	16 cts.
39	Starch, including corn starch, potato starch, potato flour and all preparations having the qualities of starch, the weight of the package to be included in the weight for duty.....per pound	1 ct.	2 cts.	2 cts.
43a	Powdered milk, the weight of the package to be included in the weight for duty.....per pound	2½ cts.	5 cts.	5 cts.
48	Peas, n.o.p.....per pound	Free	¾ ct.	1 ct.
54a	Indian corn, imported by manufacturers of starch or of cereal foods prepared for human consumption, for use exclusively in their own factories in the manufacture of starch or of such prepared cereal foods.....	Free	Free	Free
55	Indian corn, n.o.p.....per bushel	Free	20 cts.	25 cts.
63	Rice, cleaned.....per one hundred pounds When in packages weighing two pounds, each, or less, the weight of such packages to be included in the weight for duty.	50 cts.	90 cts.	$1.00
67	Macaroni and vermicelli, containing no egg or other added ingredients.....per one hundred pounds When in packages weighing two pounds, each, or less, the weight of such packages to be included in the weight for duty.	Free	$1.25	$1.50
69	Straw.....per ton	Free	$1.75	$2.00
69b	Hay.....per ton	Free	$1.75	$5.00
71	Hemp seed for agricultural purposes.....	Free	Free	Free
71a	Timothy seed.....per pound	Free	2 cts.	2 cts.
71b	Clover seed, including alfalfa seed.....per pound	Free	3 cts.	3 cts.
71c	Tree seeds for reforestation purposes only.....	Free	Free	Free
71d	Seed potatoes, imported for use exclusively for propagation purposes, under regulations by the minister.	Free	Free	Free
72	Field and garden seeds not specified as free, valued at not less than five dollars per pound, in packages weighing not less than one ounce each.....	5 p.c.	10 p.c.	10 p.c.
72a	Aromatic seeds which are not edible and are in a crude state, and not advanced in value or condition by grinding or refining or by any other process of manufacture, viz.:—Anise, anise star, caraway, cardamom, coriander, cumin, fennel and fennugreek.	Free	Free	Free
72b	Seed peas and seed beans, from the United Kingdom	Free		
72c	Seed of the sugar beet, for agricultural purposes.....	Free	Free	Free
72d	Millet and rape seed.....	5 p.c.	10 p.c.	10 p.c.
72e	Bent-grass seed.....	15 p.c.	30 p.c.	30 p.c.
73	Field seeds, n.o.p., when in packages weighing more than one pound each.....	5 p.c.	10 p.c.	15 p.c.
74	Seeds, viz.:—Beet (excepting sugar beet), mangel, parsley, parsnip and turnip, when in packages weighing more than one pound each....per pound	Free	5 cts.	5 cts.
75	Seeds, viz.:—Cabbage, radish, cucumber, leek, lettuce, carrot, borecole or kale, when in packages weighing more than one pound each..... per pound	Free	10 cts.	10 cts.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
76	Seeds, viz.:—Cauliflower, celery, onion, pepper and tomato, when in packages weighing more than one pound each.....per pound	Free	25 cts.	25 cts.
76a	Root, garden and other seeds, n.o.p., when in packages weighing more than one pound each.per pound	Free	10 cts.	10 cts.
76b	Seeds, viz.:—Field, root, garden and other seeds, when in packages weighing one pound, each, or less.	15 p.c.	22½ p.c.	25 p.c.
76c	Annatto seed and mushroom spawn.....	Free	Free	Free
89	Vegetables, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty:—			
	(a) Beans, baked or otherwise prepared.per pound	Free	2 cts.	3 cts.
	(b) Corn and tomatoes.....per pound	Free	2 cts.	3 cts.
	(c) Peas.....per pound	Free	2 cts.	3 cts.
	(d) N.o.p.....	Free	27½ p.c.	30 p.c.
90	Vegetables, prepared or preserved:			
	(a) Dried, desiccated or dehydrated, including vegetable flour, n.o.p.....	15 p.c.	27½ p.c.	30 p.c.
	(b) Pickled or preserved in salt, brine, oil or in any other manner, n.o.p.....	20 p.c.	32½ p.c.	35 p.c.
	(c) Vegetable extracts or juices, liquid mustards, soy and vegetable sauces of all kinds.....	15 p.c.	32½ p.c.	35 p.c.
	(d) Pastes, hash and all similar products composed of vegetables and meat or fish, or both, n.o.p..	15 p.c.	32½ p.c.	35 p.c.
99a	Plums or prunes, dried, unpitted.....per pound When in packages weighing two pounds, each, or less, the weight of such packages to be included in the weight for duty.	Free	1 ct.	1 ct.
99c	Raisins and dried currants.....per pound When in packages weighing two pounds, each, or less, the weight of such packages to be included in the weight for duty.	Free	4 cts.	4 cts.
99d	Dates, dried, unpitted, in bulk.....per pound	Free	⅜ ct.	⅜ ct.
99e	Dates, n.o.p., the weight of the package to be included in the weight for duty.....per pound	1 ct.	1¾ ct.	2½ ct.
99f	Figs, dried.....per pound When in packages weighing two pounds, each, or less, the weight of such packages to be included in the weight for duty.	Free	⅜ ct.	⅜ ct.
101	Oranges.....per cubic foot.	Free	35 cts.	35 cts.
101a	Lemons.....	Free	Free	Free
105d	Jellies, jams, marmalades, preserves, fruit butters and condensed mince meats.....per pound	2¾cts.	3¾ cts.	5 cts.
106	Fruits, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty:			
	(a) Apricots, peaches and pears.....per pound	2 cts.	4 cts.	5 cts.
	(b) Pineapples.....per pound	2 cts.	4 cts.	5 cts.
	(c) N.o.p.....per pound	2 cts.	4 cts.	5 cts.
120	Anchovies, sardines, sprats, pilchard and herring, (not including kippered herring in sealed containers), packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:			
	(a) When weighing over twenty ounces and not over thirty-six ounces each.....per box	3½ cts.	5 cts.	6 cts.
	(b) When weighing over twelve ounces and not over twenty ounces each.....per box	2½ cts.	4 cts.	4½ cts.
	(c) When weighing over eight ounces and not over twelve ounces each.....per box	2 cts.	3 cts.	3½ cts.
	(d) When weighing eight ounces each or less per box	1¼ cts.	2 cts.	2½ cts.
123a	Crabs or clams in sealed containers.....	17½ p.c.	40 p.c.	40 p.c.
139	Glucose or grape sugar, glucose syrup and corn syrup, or any syrups containing an admixture thereof, n.o.p.....per pound	¾ ct.	1½ cts.	1½ cts.
168	Malt flour containing less than 50 per centum in weight of malt; malt syrup or malt syrup powder; extracts of malt, fluid or not; grain molasses—all articles in this item upon valuation without British or foreign excise duties, under regulations prescribed by the Minister.....per pound	3 cts. and 25 p.c.	3 cts. 30 p.c.	3 cts. 35 p.c.
181a	Pictorial post cards, greeting cards and similar artistic cards or folders.....	22½ p.c.	32½ p.c.	35 p.c.
	and, per pound	.....	.....	5 cts.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
184	Newspapers and weekly literary papers, unbound, tailors', milliners', and mantle-makers' fashion plates, when imported in single copies in sheet form with periodical trade journals	Free	Free	Free
184a	Periodical publications, in the English or the French language, consisting of magazines or fiction, unbound or paperbound.....per pound	.....	.....	15 cts.
	Provided, that the Governor in Council may from time to time by Order in Council exempt from the duties specified in this item such of the periodical publications herein referred to as are deemed by the Governor in Council to be of a religious, educational or scientific character.			
	Provided, further, that the rates of duty specified in this item shall not have force or effect until July 1, 1931.			
	Provided, further, that nothing in this item shall affect in any way the provisions of Item 1201 of Schedule C to the Customs Tariff.			
192	Tarred paper and prepared roofings (including shingles), fibreboard, strawboard, sheathing and insulation, manufactured wholly or in part of vegetable fibres, n.o.p.	15 p.c.	25 p.c.	35 p.c.
192b	Sandpaper, glass or flintpaper, and emery paper or emery cloth	15 p.c.	22½ p.c.	25 p.c.
195	Paper hanging or wall papers, including borders or bordering	22½ p.c.	32½ p.c.	35 p.c.
	and, per pound	.....	.....	2 cts.
199b	Containers wholly or partially manufactured from fibreboard or paperboard.....per pound	1 cent	1¼ cts.	1½ cts.
	Provided, that when imported under the general tariff rate the duty shall be not less than	.....	.....	35 p.c.
200a	Regenerated cellulose in sheets, not printed	Free	10 p.c.	10 p.c.
	Provided, that the governor in council may, when satisfied that regenerated cellulose is being manufactured in Canada in quantity and quality sufficient for Canadian requirements, by order in council direct that there be substituted for tariff Item 200a the following:			
	Regenerated cellulose and manufactures thereof	20 p.c.	30 p.c.	35 p.c.
207	Blood albumen and dried blood	5 p.c.	7½ p.c.	10 p.c.
208h	Ethylene glycol, when imported by manufacturers of anti-freezing compounds to be used exclusively in the manufacture of anti-freezing compounds, in their own factories	Free	Free	Free
208i	Animal glands, wet or dry, when imported by manufacturers of pharmaceutical and medicinal preparations for use exclusively in the manufacture of such preparations, in their own factories	Free	Free	Free
210	Peroxide of soda; silicate of soda in crystals or in solution; bichromate of soda; nitrate of soda or cubic nitre; sulphide of sodium; nitrite of soda; arseniate, binarseniate, chlorate, bisulphite and stannate of soda; prussiate of soda and sulphite of soda	Free	Free	Free
210b	Barilla or soda ash; sal soda.....per pound	1/5 ct.	3/10 ct.	3/10 ct.
219c	Proprietary or trade-marked preparations, non-alcoholic, such as are used only for disinfecting, dipping or spraying, when in packages not exceeding three pounds each, in weight, the weight of such packages to be included in the weight for duty	15 p.c.	25 p.c.	25 p.c.
230	Castile soap, the weight of the cartons and wrappings to be included in the weight for duty....per pound	1 ct.	1 ct.	2 cts.
238a	Manufactures of celluloid, or of which celluloid is the component of chief value, n.o.p.	15 p.c.	32½ p.c.	40 p.c.
265	Oil, whale, including spermaceti	12½ p.c.	30 p.c.	30 p.c.
265a	Fish oils, n.o.p.	12½ p.c.	20 p.c.	22½ p.c.
282	Building brick and paving brick	12½ p.c.	20 p.c.	22½ p.c.
	and, per ton	.....	.....	$1 00
282a	Manufactures of clay or cement, n.o.p.	12½ p.c.	20 p.c.	22½ p.c.
296b	Magnesite, dead-burned, sintered, caustic-calcined or plastic magnesia; magnesium carbonate, basic or otherwise, excepting crude rock	20 p.c.	27½ p.c.	30 p.c.
296d	Feldspar, ground but not further manufactured	Free	20 p.c.	30 p.c.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff
305	Flagstone, sandstone and all building stone, not hammered, sawn or chiselled, and marble and granite, rough, not hammered or chiselled.....	10 p.c.	12½ p.c.	20 p.c.
306	Marble, sawn or sand rubbed, not polished; granite, sawn; paving blocks of stone; flagstone and building stone, other than marble or granite, sawn on not more than two sides.....	Free	20 p.c.	35 p.c.
306a	Building stone, other than marble or granite, sawn on more than two sides but not sawn on more than four sides.....per one hundred pounds	10 cts.	20 cts.	25 cts.
306b	Building stone, other than marble or granite, planed, turned, cut or further manufactured than sawn on four sides.....per one hundred pounds	30 cts.	45 cts.	50 cts.
306c	Marble, not further manufactured than sawn, when imported by manufacturers of tombstones to be used exclusively in the manufacture of such articles, in their own factories.....	Free	15 p.c.	20 p.c.
307	Marble and granite, n.o.p., and all manufactures of marble or granite, n.o.p.....	30 p.c.	35 p.c.	40 p.c.
308	Manufactures of stone, n.o.p.....	20 p.c.	30 p.c.	35 p.c.
318	Common and colourless window glass.....	7½ p.c.	12½ p.c.	12½ p.c.
	Provided, that the Governor in Council may, when satisfied that common colourless window glass is being manufactured in Canada in quality and quantity sufficient for Canadian requirements, by order in council direct that there be substituted for this tariff item the following:			
	Common and colourless window glass:			
	(a) in sheets not exceeding 80 square inches in area.....per pound	1¼ cts.	1¾ cts.	1¾ cts.
	(b) in sheets exceeding 80 square inches but not exceeding 120 square inches.....per pound	2¼ cts.	3 cts.	3 cts.
	(c) in sheets exceeding 120 square inches in area.....per pound	3¼ cts.	4½ cts.	4½ cts.
322a	Laminated glass, sheet or plate, and manufactures thereof, n.o.p.....	17½ p.c	25 p.c.	35 p.c.
326b	Glass eyes for human use.....	Free	Free	Free
348	Copper scrap, and copper in pigs, blocks or ingots; cathode plates of electrolytic copper for melting .....per pound	1 ct.	1½ cts.	1½ cts.
	Provided, that nothing shall be deemed to be copper scrap except waste or refuse copper fit only to be remanufactured in furnaces.			
348c	Brass scrap and brass in blocks, ingots or pigs; copper in bars or rods, not less than six feet in length, unmanufactured, n.o.p.; copper in strips, sheets or plates, not polished, planished or coated; brass or copper tubing, in lengths not less than six feet, and not polished, bent or otherwise manufactured.....	5 p.c.	10 p.c.	10 p.c.
356	Nickel in bars or rods, not including bars or rods depolarized or otherwise processed for use as anodes, and nickel in strips, sheets or plates.....	Free	Free	Free
366	Watches of all kinds.....	20 p.c.	30 p.c.	35 p.c.
	Provided, that when imported under the intermediate or the general tariff, the duty shall be not less than.....each	.....	40 cts.	40 cts.
366a	Watch actions and movements, finished or unfinished	Free	15 p.c.	15 p.c.
	Provided, that when imported under the intermediate or the general tariff rate, the duty shall be not less than.....each	.....	40 cts.	40 cts.
366b	Parts of watch movements, finished or unfinished, not including plates.....	Free	15 p.c.	15 p.c.
368	Clocks, time recorders, clock movements, clockwork mechanisms, and clock cases.....	20 p.c.	30 p.c.	35 p.c.
	Provided, that when imported under the Intermediate or the General Tariff rate, the duty shall be not less than.....each	.....	50 cts.	50 cts.
369	Parts of clock movements or of clockwork mechanisms, finished or unfinished, not including plates...	15 p.c.	25 p.c.	25 p.c.
376a	Chromium metal and tungsten metal, in lumps, powder, ingots, blocks or bars, and scrap of alloy metal containing chromium and tungsten, when imported by manufacturers for use exclusively for alloying purposes, in their own factories.....	Free	Free	Free

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
377d	Billets of steel of Bessemer quality, when imported by manufacturers of seamless steel tubes for use exclusively in the manufacture of seamless steel tubes, in their own factories	Free	5 p.c.	5 p.c.
380	Plates of iron or steel, hot or cold rolled:—			
	(*a*) Not more than 60 inches in width, n.o.p. per ton	$4.25	$6.00	$7.00
	(*b*) More than 60 inches in width, n.o.p. per ton	Free	$3.00	$5.00
	(*c*) Flanged, dished or curved, n.o.p.	10 p.c.	25 p.c.	30 p.c.
	Provided, that the governor in council may, when satisfied that iron or steel plates are being rolled in Canada up to a width of 120 inches, and that the same can be rolled in quantity and quality sufficient for Canadian requirements, by order in council direct that there be substituted for sections (*a*) and (*b*) of this tariff item the following:			
	(*a*) Not more than 120 inches in width, n.o.p. per ton	$4.25	$6.00	$7.00
	(*b*) More than 120 inches in width, n.o.p. per ton	Free	$3.00	$5.00
386f	Hoop, band or strip rolled or drawn, coated or not, when imported by manufacturers of mats for use exclusively in the manufacture of mats, in their own factories	Free	5 p.c.	5 p.c.
386g	Sheets, plates, hoop, band or strip, not tempered or ground nor further manufactured than cut to shape, without indented edges, when imported by manufacturers of saws or straw cutters for use exclusively in the manufacture of saws or straw cutters, in their own factories	Free	Free	Free
386m	Sheets of iron or steel, cold rolled, when imported by manufacturers for use exclusively in the manufacture of sheets coated with tin, and sheets, hoop, band or strip, of iron or steel, hot rolled, when imported by manufacturers for use exclusively in the manufacture of sheets, hoop, band or strip coated with zinc or other metal or metals, not including tin, in their own factories	5 p.c.	7½ p.c.	10 p.c.
386n	Hoop, band or strip, hot rolled, in coils not less than than 100 feet in length, when imported by manufacturers for use exclusively in the manufacture of cold rolled iron or steel, in their own factories	Free	5 p.c.	5 p.c.
386o	Hoop, band or strip, cold rolled, electro-galvanized, six inches or less in width, in coils of not less than 100 feet, when imported by manufacturers for use exclusively in the manufacture of rolling doors of steel, in their own factories	Free	7½ p.c.	7½ p.c.
399b	Tubing, of wrought iron or steel, not more than one-half inch in diameter, in lengths not less than six feet, coated with metal, not polished, bent nor further manufactured, when imported by manufacturers to be further processed, in their own factories	Free	7½ p.c.	7½ p.c.
399c	Pipes and tubes, not exceeding two inches in diameter, made from puddled iron, when for use exclusively in casing oil wells	Free	Free	Free
402a	Woven or welded wire fencing, of iron or steel, coated or not, n.o.p.; wire cloth or wire netting, of iron or steel, coated or not	25 p.c.	35 p.c.	35 p.c.
403b	Flat or woven flat, including steel strip, in the coil, coated or not, ·064 inch in thickness or thinner, with tolerance not to exceed ·002 inch, when imported by manufacturers of corset clasps, steels, wires, and dress stays for use exclusively in the manufacture of corset clasps, steels, wires and dress stays, in their own factories	Free	5 p.c.	7½ p.c.
403e	Steel wire, when imported by manufacturers of machine card clothing for use exclusively in the manufacture of machine card clothing, in their own factories	Free	Free	Free
409e	Spraying and dusting machines and attachments therefor, including hand sprayers; fruit or vegetable grading machines and attachments therefor; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; animal dehorning instruments; and complete parts of all the foregoing	Free	15 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
409q	Complete parts for repairs, if imported on or before the thirty-first day of March, 1932.			
	(i) For the implements or machinery enumerated in tariff items 409c, 409e, 409f, 409g, 409j, 409o, 409p, and 439c	Free	10 p.c.	10 p.c.
	(ii) For the implements or machinery enumerated in tariff item 409b	Free	7½ p.c.	7½ p.c.
	(iii) For the implements or machinery enumerated in tariff item 409d	Free	6 p.c.	6 p.c.
	(iv) For the implements or machinery enumerated in tariff items 409h and 409n	Free	10 p.c.	15 p.c.
	(v) For the implements or machinery enumerated in tariff items 409i and 409k	Free	17½ p.c.	17½ p.c.
412	Machinery, being presses for use in the printing of newspapers, of not less value by retail than $1,500 each, of a class or kind not made in Canada	Free	Free	Free
422a	Concrete road-paving machines, self propelling, end loading type, with a capacity of 21 cubic feet of wet concrete or more; concrete and asphalt road finishing machines; form graders; sub-graders; trench and ditch excavating machines, round wheel or vertical or ladder boom, chain and bucket type, for digging vertical or sloping bank ditches; back filling machines and equipment, mounted on self-propelling wheels or crawling traction, semi- or full-revolving boom and scraper type; steam or air driven pile hammers or extractors; well-points; truck turntables; all the foregoing of a class or kind not made in Canada, and complete parts thereof	Free	10 p.c.	12½ p.c.
427	All machinery composed wholly or in part of iron or steel, n.o.p., and complete parts thereof	15 p.c.	27½ p.c.	35 p.c.
427a	Rolling mill rolls, when imported by proprietors of rolling mills for use only in rolling iron or steel.... Provided, that the governor in council may, when satisfied that rolling mill rolls for rolling iron or steel are being manufactured in Canada, by order in council direct that this tariff item be cancelled.	Free	Free	Free
438a	Automobiles for conveying passengers only, n.o.p., valued at retail at place of production, when new, with standard equipment complete, at more than twelve hundred dollars each but not more than twenty-one hundred dollars each; chassis for same	15 p.c.	22½ p.c.	30 p.c.
438c	Automobiles and motor vehicles of all kinds, n.o.p.; chassis for same	15 p.c.	30 p.c.	40 p.c.
438d	Horns, distributors, instrument board lamps, oil gauges, gasoline gauges, thermostats, oil filters, carburetors, purifiers for oil, purifiers for air, annular ball bearings and parts thereof, lock washers, speedometers and parts thereof, vacuum tanks, composite gaskets of copper and asbestos, steering wheels and rims therefor, one piece welded axle housings, machined or not, instrument bezel assemblies, dash heat indicators, electric ignition locks, cylinder lock barrels and keys, bearing spring shackles and automatic radiator shutter assemblies, all of a class or kind not made in Canada, when imported by manufacturers of goods enumerated in tariff items 438a, 438b, 438c, and 438e for use only as original equipment in the manufacture of motor vehicles enumerated in tariff items 438a, 438b, and 438c	Free	Free	Free
438e	Tops, wheels and bodies, n.o.p., for motor vehicles enumerated in tariff items 438a, 438b and 438c	20 p.c.	27½ p.c.	30 p.c.
440c	Racing shells or oars therefor, when imported by a bona fide amateur rowing club in Canada for use exclusively by such club	Free	25 p.c.	25 p.c.
440j	Trawls, trawling spoons, fly hooks, sinkers, swivels, sportsmen's fishing reels, bait and hooks, and fishing tackle, n.o.p.	20 p.c.	25 p.c.	30 p.c.
445a	Electric head, side and tail lights; electric torches or flashlights and complete parts therefor	20 p.c.	30 p.c.	30 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
445e	Electric and galvanic batteries, n.o.p., and complete parts thereof, including separator walls of wood, cut to size or not	15 p.c.	25 p.c.	27½ p.c.
446	Electric steam turbo generator sets, 700 H.P. and greater, of a class or kind not made in Canada, and complete parts thereof	Free	15 p.c.	20 p.c.
446a	Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, n.o.p.	15 p.c.	27½ p.c.	35 p.c.
451a	Needles, of any material or kind, n.o.p.	15 p.c.	30 p.c.	35 p.c.
451d	Papier mache shoe buttons, shoe eyelets, corset eyelets, shoe eyelet hooks, shoe lace wire fasteners	Free	Free	Free
461	Safes, including doors; doors and door frames for vaults; scales, balances, weighing beams and strength-testing machines of all kinds, n.o.p.	10 p.c.	30 p.c.	35 p.c.
475c	Plates and electrotypes of metal, for printing music	Free	Free	Free
476b	Surgical suction apparatus including motive power; prepared surgical catgut; nitrous oxide; ethylene; ethyl chloride; operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, and complete parts thereof, for the use of any public hospital, under regulations prescribed by the minister	Free	Free	Free
479	Materials and articles, when imported by manufacturers of artificial limbs or parts, for use exclusively in the manufacture of artificial limbs or parts, in their own factories	Free	Free	Free
506a	Clothespins and parts thereof.....per gross	Free	9 cts.	10 cts.
511	Fishing rods, walking sticks and walking canes, of all kinds; golf clubs and finished parts thereof; skis; racquets and racquet frames and baseball bats	20 p.c.	27½ p.c.	30 p.c.
516	Blinds of wood, metal or other material, not textile or paper	Free	30 p.c.	35 p.c.
507	Single-ply, sliced or rotary-cut veneers of rosewood, mahogany, walnut, oak or Spanish cedar, not over five-sixteenths of an inch in thickness, not taped nor jointed	Free	10 p.c.	10 p.c.
507a	Single-ply, sliced or rotary-cut veneers of wood, n.o.p., not over five-sixteenths of an inch in thickness, not taped nor jointed	10 p.c.	20 p.c.	20 p.c.
507b	Veneers of wood of any kind, not over five-sixteenths of an inch in thickness, taped or jointed	15 p.c.	25 p.c.	25 p.c.
507c	Plywood made of two or more layers of veneer or lumber of wood, glued or cemented together, but not further manufactured	17½ p.c.	30 p.c.	35 p.c.
519	House, office, cabinet or store furniture of wood, iron, or other material, in parts or finished	20 p.c.	30 p.c.	45 p.c.
519a	Wire screens, wire doors and wire windows; cash registers; window cornices and cornice poles of all kinds; hair, spring and other mattresses; curtain stretchers, furniture springs and carpet sweepers	20 p.c.	27½ p.c.	30 p.c.
536	Batts, batting and wadding of wool, cotton or other fibre, n.o.p.	12½ p.c.	22½ p.c.	25 p.c.
540b	Fabrics, wholly of flax, or of hemp, or of flax, hemp and cotton, viz.: towels, towelling, glass cloths, table cloths, luncheon cloths, sheets, sheeting, pillow cases, pillow casing, in the web or otherwise, unbleached, bleached, coloured, crested, or otherwise, not including table damask and, per pound	22½ p.c. 3 cts.	30 p.c 3½ cts.	32½ p.c. 4 cts.
549e	Filter press cloth made from human hair, imported by manufacturers of linseed oil for use exclusively in the manufacture of linseed oil, in their own factories, under regulations by the minister	20 p.c.	27½ p.c.	30 p.c.
551b	Mohair yarns, imported by manufacturers of cut pile fabrics for upholstery purposes for use exclusively in the manufacture of such cut pile fabrics, in their own factories Provided, that the governor in council may, when satisfied that mohair yarns are being produced in Canada in quantity and quality sufficient for Canadian requirements, by order in council direct that this tariff item be repealed.	Free	10 p.c.	12½ p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
560a	Woven fabrics wholly or in part of silk, not to contain wool, not including fabrics in chief part by weight of artificial silk, n.o.p.	27½ p.c.	40 p.c.	45 p.c.
	and, per lineal yard	.....	10 cts.	10 cts.
564	Woven fabrics wholly, or in chief part by weight, of silk or artificial silk, or both, imported in the web in lengths of not less than five yards each by manufacturers of neckties, scarves, or mufflers, for use exclusively in the manufacture of such articles in their own factories	17½ p.c.	20 p.c.	20 p.c.
	Provided, that the governor in council may, when satisfied that the fabrics specified in this item are being manufactured in Canada in quantity and quality sufficient for Canadian requirements, by order in council direct that the provisions of this tariff item be repealed.			
569c	Hat braids, of a class or kind not made in Canada, whether woven, knitted or plaited, not exceeding four inches in width, imported for use exclusively in the manufacture of hat bodies or shapes, but not for use in the ornamentation or trimming of such bodies or shapes, under regulations prescribed by the minister	Free.	Free	Free
578	Regalia, badges and belts of all kinds, n.o.p.	27½ p.c.	30 p.c.	45 p.c.
586	Coal, anthracite or lignite, n.o.p.....per ton	Free	40 cts.	40 cts.
587	Coke.....per ton	Free	$1.00	$1.00
588	Coal, n.o.p., including screenings or coal dust of any kind.....per ton	35 cts.	75 cts.	75 cts.
589	Charcoal.....per ton	Free	$7.50	$7.50
597	Pianofortes and organs	20 p.c.	27½ p.c.	30 p.c.
	Provided, that when imported under the intermediate or the general tariff, the duty shall be not less than.....each	.....	$75.00	$75.00
597a	Musical instruments of all kinds, n.o.p.; phonographs, graphophones, gramophones and finished parts thereof, including cylinders and records therefor; and mechanical piano and organ players	20 p.c.	27½ p.c.	30 p.c.
304	Belting leather in butts or bends; sole leather; and all leather further finished than tanned, n.o.p.	15 p.c.	25 p.c.	25 p.c.
605	Leather produced from East India tanned kip, uncoloured, when imported by manufacturers of boots and shoes for use exclusively in lining boots and shoes, in their own factories; genuine reptile leathers	12½ p.c.	15 p.c.	15 p.c.
606	Leather produced from East India tanned kip, n.o.p.	20 p.c.	25 p.c.	25 p.c.
	and, per square foot	4 cts.	4 cts.	4 cts.
607	Glove leathers, when imported by manufacturers of gloves for use exclusively in manufacturing gloves, in their own factories	5 p.c.	7½ p.c.	10 p.c.
	Provided, that the governor in council may, when satisfied that the glove leathers specified in this item are being produced in Canada in quantity and quality sufficient for Canadian requirements, by order in council direct that there be substituted for this tariff item the following			
	Glove leathers, when imported by manufacturers of gloves for use exclusively in manufacturing gloves, in their own factories	5 p.c.	7½ p.c.	20 p.c.
608	Leather not further finished than tanned, and skins, n.o.p.	10 p.c.	17½ p.c.	20 p.c.
609	Belting, of leather	20 p.c.	30 p.c.	35 p.c.
611b	Leather garments, lined or unlined	20 p.c.	35 p.c.	35 p.c.
613	Manufactures of leather, including manufactures of raw hide, n.o.p.	20 p.c.	35 p.c.	35 p.c.
624	Bead ornaments, and ornaments of alabaster, spar, amber, terra cotta or composition; fans of all kinds; statues and statuettes of any material	20 p.c.	27½ p.c.	30 p.c.
624a	Dolls and toys of all kinds	20 p.c.	30 p.c.	40 p.c.
651	Buttons of all kinds covered or not, n.o.p., including recognition buttons, and cuff or collar buttons	20 p.c.	35 p.c.	35 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.
651a	Buttons of vegetable ivory	20 p.c.	35 p.c.	35 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.
653	Brushes of all kinds	17½ p.c.	30 p.c.	40 p.c.
655	Pens, penholders, and rulers, of all kinds	15 p.c.	25 p.c.	27½ p.c.
655a	Lead pencils and crayons	15 p.c.	35 p.c.	35 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
665a	Fuse, not metallic	Free	25 p.c.	30 p.c.
670	Grinding wheels, stones or blocks, manufactured by the bonding together of either natural or artificial abrasives; manufactures of emery or of artificial abrasives, n.o.p.	15 p.c.	25 p.c.	30 p.c.
682a	Net floats of aluminum or glass of a class or kind not made in Canada, for use only in deep-sea or lake fishing, not to include floats for sportsmen's use	Free	Free	Free
711	All goods not enumerated in this schedule as subject to any other rate of duty, and not otherwise declared free of duty, and not being goods the importation whereof is by law prohibited	15 p.c.	25 p.c.	25 p.c.
	Provided that duty shall not be deemed to be provided for by this item upon dutiable goods mentioned as "n.o.p." in any preceding tariff item.			
	Provided further that when the component material of chief value in any non-enumerated article consists of dutiable material enumerated in this schedule as bearing a higher rate of duty than is specified in this tariff item, such non-enumerated article shall be subject to the highest duty which would be chargeable thereon if it were composed wholly of the component material thereof of chief value, such "component material of chief value" being that component material which shall exceed in value any other single component material in its condition as found in the article.			

3. Resolved, that Schedule B to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the Acts of 1928, chapter thirty-nine of the Acts of 1929, chapter thirteen of the Acts of 1930 (first session) and chapter three of the Acts of 1930 (second session), and by order in council, be amended by striking thereout tariff items 1050 and 1055, and by repealing order in council, P.C. 1201, dated the seventh day of June, one thousand nine hundred and ten, and by inserting the following items, enumerations and rates of drawback of customs duties in said Schedule B:—

Item No.	Goods	When subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1050	Sugar, viz.: raw sugar produced in the British Empire, or sugar refined in Canada from raw sugars produced in the British Empire.	When used in the manufacture of wine in Canada	99 p.c.
1055	Materials, including all parts	When used in the manufacture of goods enumerated in tariff items 438a and 438b:	
		Provided, that no drawback shall hereafter be paid under this Item unless at least fifty per centum of the cost of producing the finished article, not to include, after September 30, 1931, duties paid upon imported materials, has been incurred in Canada;	
		Provided, further, that no drawback shall be paid under this Item on importations of any of the undermentioned articles:	
		Rubber tires: wheel-rims; wheels, including hubs and drums; tire carriers; tire covers; wheel carriers; brakes, service and emergency; brake linings; brake pedals and operating levers; chassis springs, between frame	

Item No.	Goods	When subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
		axles; shock absorbers; chassis frames; front axles, forged type only; clutch and clutch pedals; universal joints; propeller shafts; transmissions; gear shift levers; rear axles, except banjo housings; radiator cores; exhaust pipes; mufflers; gasoline tanks; running boards and covers; front and rear fenders; bumpers and bumperettes; steering gears; head and tail lights, not including lenses; dome lamps; electric light globes; electric wiring and cables; spark plugs; batteries; starting motors; electric generators; drag links; motor fans; motor fan belts; thrust bearings, ball or plain; motor hoods, sheet metal; motor hood clamps; anti-squeak braids and strips; moulded rubber parts; lubrication fittings; wheel hub caps; sand castings; drop rolled or pressed forgings; bolts, nuts, screws, tacks and studs; head pins and clevis; cotter pins; plain washers; coil springs and seat springs; wood frames for bodies; rubber and pyroxylin covered or doubled top fabrics and curtains; windshields complete; upholstering fabrics and materials other than printed fabrics; rubber tubing and windlaces; floor boards; carpets; window shades; paints and varnishes and solder; stampings of all kinds other than radiator shells, and cowls and body stampings; tool kit equipment, including jacks; robe rails and foot rests; curtain and carpet fasteners; rear view mirrors; gear shift lever knobs; felt parts; clocks, stem winding; window finishing strips. Provided, further, that any claims for drawback that have accrued or may accrue up to and including the 30th day of September, 1931, shall be paid in accordance with the provisions of the Tariff as existent on the 25th day of May, 1931.....	60 p.c.

4. Resolved, That Schedule C to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by adding thereto the following tariff item:

1215 Used or second hand automobiles and motor vehicles of all kinds, manufactured prior to the calendar year in which importation into Canada is sought to be made.

Provided, that this item does not affect in any manner automobiles and motor vehicles imported under tariff items 702 or 705a, or under tourists' or travellers' vehicle permits.

5. Resolved, That any enactment founded upon the foregoing resolutions shall be deemed to have come into force on the second day of June, one thousand nine hundred and thirty-one, and to have applied to all goods mentioned in the foregoing resolutions taken out of warehouse for consumption on and after that date.

[Mr. Bennett.]

Mr. RALSTON: Mr. Speaker, I beg to move the adjournment of the debate.

Mr. BENNETT: Perhaps the hon. gentleman will let us know what day suits his convenience to proceed.

Mr. RALSTON: I understood that Thursday had been suggested.

Mr. BENNETT: Very well.

Mr. MACKENZIE KING: I assume, Mr. Speaker, that when the house resumes at eight o'clock we shall revert to the beginning of the order paper.

Mr. BENNETT: I take it that when the house meets at eight o'clock we shall revert to questions.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MAURICE TETREAU

Mr. DORION:

1. Did Mr. Maurice Tetreau, Montreal lawyer, from December 29, 1921, to August 1, 1930, represent the federal government, or any of the departments of the government, before the courts of Quebec province?
2. If so, in what cases was he acting, and what was the amount paid to him?

Mr. CAHAN:

1. No.
2. Answered by No. 1.

QUEBEC HARBOUR COMMISSION—OIL PURCHASES

Mr. BOUCHARD:

1. Does the Quebec harbour commission purchase the whole or a part of its oil and gasoline supplies from the Shell Oil Company?
2. Does the said Shell Oil Company refine in Canada?

Mr. CAHAN:

1. The Quebec harbour commission does not purchase any oil or gasoline from the Shell Oil Company. On March 4, 1930, the Quebec harbour commission purchased one barrel only of winter black oil from the Shell Oil Company.
2. No.

CIVIL SERVICE COMMISSION—ELIGIBLE LISTS

Mr. PERRAS:

1. Was any examination held by the Civil Service Commission early in 1930 for clerks grade 1 and grade 2 positions?
2. If so, in how many centres was such an examination held?
3. How many of the successful candidates were placed on the eligible list for appointment as clerks grade 2, in 1930?
4. When will the list of eligibles expire?
5. Is it a fact that the 1930 eligibles for grade 2 positions have been disqualified by the Civil Service Commission and had to qualify again for the same position, recently?
6. Is it a fact that the Civil Service Commission opened up 700 new positions for the next census for census clerks and clerks grade 2, although about 200 clerks grade 2 were already available?
7. How many of the successful grade 2 candidates on the 1930 list of eligibles have been appointed by the Civil Service Commission?
8. If examinations are held far in advance of the civil service requirements, and if candidates duly qualified are disqualified in being compelled to write at another examination, is it the intention of the Civil Service Commission to reimburse the examination fees paid in by successful candidates?

Mr. CAHAN:

1. Yes, on April 1 and 2, 1930.
2. Clerk grade 1, 35; clerk grade 2, 42.
3. 235.
4. The eligible list which ordinarily would have lapsed on the 22nd May, 1931, has already been extended to 22nd November, 1931, and will probably be extended for further periods up to a limit of possibly three years.
5. No.
6. Seven hundred and five positions were advertised for the census on January 27, 1931. These positions require an examination in arithmetic; checking, computing and comparing; geography and English, and those who had qualified in the examination for clerk grade 2 were not considered eligible unless they demonstrated their ability to pass in the subjects not covered by the clerk grade 2 examination.
7. 23 permanent, 17 temporary.
8. No. The Civil Service regulations make no provision for the return of examination fees except where a candidate is unable to write on an examination as provided in section 15, subsection 2.

CIVIL SERVICE—STUDENT MUSEUM ASSISTANT

Mr. PERRAS:

1. When was the last examination held by the Civil Service Commission for the position of student museum assistant?
2. In how many centres was such an examination held?
3. How many candidates were successful at said examination and placed on the list of eligibles?
4. How many candidates were appointed by the Civil Service Commission as student museum assistants, and if any, (a) who were so appointed, (b) in what order of merit, (c) and on what date or dates?
5. If no appointments were made who cancelled the requisition, and why?
6. Will the government ask the Civil Service Commission to extend the eligible list No. 20403 for another year if no one has been so far appointed?

7. When examinations are held much in advance of the Civil Service requirements, is there any provision in the Civil Service Act towards extending the life of eligible lists?

Mr. CAHAN:

1. April 19th, 1930.
2. Two.
3. Five.
4. None.

(a), (b) and (c) answered by No. 4.

5. The Civil Service Commission advised the Department of Mines when the eligible list was available, and received a reply that, "Considering our appropriations and commitments to date, it would seem inadvisable, for a few months at least, to authorize any new continuing disbursements. For this reason I regret to say that no assignment will for the time being be requested."

6. Eligible list No. 20403 lapsed on the 21st May, 1931.

7. Section 31 of the Civil Service Regulations provides for the continuance of the list if, in the opinion of the commission, the public interest will be served by its continuance.

STE. ANNE DE BELLEVUE HOSPITAL PHYSICIAN

Mr. DUGUAY:

1. Was Doctor Dunn appointed by the Civil Service Commission as permanent physician of the Ste. Anne de Bellevue hospital?
2. If so, when?
3. At what place and on what date were his examinations held?
4. Did Doctor Dunn serve overseas during the Great war?

Mr. MacLAREN:

1. Yes.
2. 1st April, 1931.
3. 16th December, 1930, and 11th March, 1931. Office of Civil Service Commission, Ottawa.
4. Yes.

NATIONAL DEFENCE RETIREMENTS

Mr. ROSS:

1. How many permanent officers of the Department of National Defence have been permitted to retire voluntarily since 1919?
2. How many received full pension on such retirement?
3. How many were allowed reduced pension on such retirement?
4. How many were retired without pension?

Mr. SUTHERLAND:

1. Royal Canadian navy, 1; Permanent active militia, 61; Royal Canadian Air Force, 13.

2. Royal Canadian navy, nil; Permanent active militia, 2; Royal Canadian Air Force, nil.

[Mr. Perras.]

3. Royal Canadian navy, nil; Permanent active militia, nil; Royal Canadian Air Force, nil.

4. Royal Canadian navy, 1; Permanent active militia, 59; Royal Canadian Air Force, 13.

SCHOONER DOROTHY

Mr. HANSON (Skeena):

1. How long has the schooner "Dorothy" been employed by the International Fisheries Commission?
2. How much money has been paid per season?
3. How many days each season has she been under charter?
4. How much is paid for the vessel?
5. How much is paid for the captain, engineer, and crew per man?
6. Does the price paid the vessel include officers and crew?
7. How many Canadians, if any, have been employed?
8. How much has been paid for the supplies?
9. How much of it has been spent in Canada?
10. How much in the United States?
11. Why is this charter not alternated between a Canadian and an American vessel?
12. Why are no Canadians employed as officers, or crew on this vessel?
13. What proportion of the total cost is paid by Canada?
14. How many people are employed in various positions by the International Fisheries Commission?
15. How many of them are Canadians, and how many Americans?

Mr. RHODES:

1. and 3. In 1927, 82 days; 1928, 111¾ days; 1929, 64 days; 1930, 129 days.

2. In 1927, $17,493.84; 1928, $19,792.74; 1929, $8,385.53; 1930, $21,969.67.

4. In 1927, $60 per day; 1928, $50 per day; 1929, $50 per day; 1930, $55 per day.

5. It varied slightly in different years. In 1930 the rates were: Captain, $250 per month; Engineer, $200 per month; 1st Mate, $200 per month; 2nd Mate, $160 per month; Oilers, 1 at $140 per month; 1 at $125 per month; Cook, $175 per month; Deckhands, $100 per month; Wireless Operator, $140 per month.

6. No.

7. Not known as the crew was engaged by the owner who was responsible for the vessel.

8.

1927-28	(fiscal year)	.. .. ..	$8,299.15
1928-29	" "	.. .. ..	4,965.21
1929-30	" "	.. .. ..	6,066.96
1930-31	" "	.. .. ..	4,571.21
			$23,902.53

9. and 10.

Fiscal Year	Canada	U.S.	Not known
1927-28	$1,475.22	$6,823.93	
1928-29		4,863.63	$101.53
1929-30	953.15	5,037.83	75.98
1930-31	2,748.08	1,823.13	
	$5,176.45	$18,548.52	$177.56

11. There was no Canadian vessel suitable for the work in which the "Dorothy" was engaged. The Canadian vessels being adapted for fishing on the nearby banks, are too small for use on the western banks. A Canadian vessel was employed whenever the work to be done could be carried on by a Canadian fishing vessel.

12. Answered by No. 7.

13. One-half.

14 and 15. Varies. On the permanent staff there are 4 Canadians and 2 United States citizens. In April last there were 12 temporaries, of whom 3 were Canadian and 9 United States citizens.

DOMINION CONVERSION LOAN

Mr. RALSTON:

What is the cost to the government of the present conversion loan per each $1,000 par value converted, stating separately the cost of (a) advertising, (b) brokerage, (c) other expenses?

Mr. BENNETT: A statement respecting the conversion loan is being made in connection with the budget. Accounts have not yet been rendered for advertising and other expenses.

ST. JOHNS, QUE., MILITARY QUARTERS—BREAD SUPPLIES

Mr. RHEAUME:

1. Who had the contract for supplying bread to the military quarters at St. Johns, Quebec, from April 1, 1930, to September 30, 1930?
2. Were tenders called at the expiration of contract?
3. If so, what were the names of tenderers and their prices?
4. To whom was the contract granted?
5. Were tenders called in the month of March, 1931?
6. If so, what were the names of tenderers and the prices submitted?
7. To whom was the contract granted?

Mr. SUTHERLAND:

1. Messrs. Bissonette Freres.
2. Yes.
3. A. E. Chaput at 5·5 cents per pound.
4. A. E. Chaput.
5. Yes.
6. A. E. Chaput at 5¾ cents per pound; Pierre Daneau at 6 cents per pound.
7. A. E. Chaput.

SIR GEORGE PERLEY AS ACTING MINISTER OF RAILWAYS—ORDERS IN COUNCIL

Mr. POULIOT:

1. On what dates and at what time of the day did the Right Hon. Sir George Perley act as Acting Minister of Railways and Canals last fall, and particularly in October, 1930?
2. What was, (a) the date, (b) the number, (c) the subject matter of each order in council submitted to him while acting as such, to the privy council during that period?

Mr. MANION:

1. From October 7 to October 11, 1930.
2. One order in council: October 8, 1930, P.C. 2370, re tenders for addition to station at Levis, P.Q.

QUEBEC PUBLIC WORKS—PUBLICATION OF CALLS FOR TENDERS

Mr. CASGRAIN:

1. What are the papers in which the Department of Public Works advertises the various calls for tenders in relation to public works to be done in the province of Quebec?
2. By whom were these papers recommended to the Department of Public Works?
3. In what papers did the Department of Public Works advertise calls for tenders in respect to the above-mentioned works, last year up to July 28?

Mr. STEWART (Leeds):

1.

Location—Name of Newspaper

Buckingham, Post; Chicoutimi, Le Progres; Granby, Leader-Mail; Lachute, Watchman; Montmagny, Le Peuple; Montreal, Gazette; Montreal, La Patrie; Montreal, L'Illustration; Montreal, Star; Montreal, Citizen of Notre Dame de Grace; Montreal, Le Petit Journal; Montreal, Le Nord; Montreal, La Terre de Chez Nous; Montreal, Monitor; Montreal, L'Italia; Ormstown, Bulletin; Quebec, Chronicle-Telegraph; Quebec, L'Evenement; Quebec, Le Journal; Quebec, Semaine Commerciale; Quebec, Le Franc Parler; Rimouski, Le Progrès du Golfe; Rimouski, La Voix de Gaspe; Riviere du Loup, Le St. Laurent; St. Hyacinthe, Le Courrier; St. Johns, News; Ste. Marie de Beauce, Le Guide; Shawinigan Falls, L'Echo du St. Maurice; Shawville, Equity; Sherbrooke, Record; Shebrooke, Forum; Sorel, Le Sorelois; Thetford Mines, Le Canadien; Three Rivers, Le Nouvelliste; Three Rivers, Le Bien Public; Three Rivers, Chronicle; Three Rivers, Le Drapeau.

2. The department selects these papers from the newspaper directories.

3.

Location—Name of Newspaper

Arthabaska, L'Union des Cantons de l'Est; Beauceville, L'Eclaireur; Buckingham, Post;

Chicoutimi, Le Progres; Coaticook, Observer; Granby, Leader-Mail; Hull, Le Spectateur; Hull, Le Progrès; Huntingdon, Cleaner; Joliette, L'Etoile du Nord; La Malbaie, Le Courrier du Nord; Levis, Le Quotidien; Montmagny, Le Courrier; Montreal, La Terre de Chez Nous; Montreal, Le Mederic; Montreal, Le Canada; Montreal, La Riposte; Montreal, Herald; Montreal, E. I. C. News; Montreal, Jewish Eagle; Montreal, Petit Journal; Montreal, L'Autorité; Montreal, Le Bulletin; Montreal, Canadian Railroader; Montreal, Shipping Register and Travel Guide; Ormstown, Bulletin; Quebec, Le Soleil; Quebec, Bulletin de la Ferme; Quebec, L'Œil; Quebec, La Semaine Commerciale; Quebec, L'Action Liberale; Quebec, Les Affaires; Quebec, Le Voyageur de Commerce; Quebec, Guide de l'Acheteur; Quebec, L'Avenir; Richmond, Times-Guardian; Rimouski, Le Progres du Golfe; Riviere du Loup, Le St. Laurent; Rock Island, Stanstead Journal; Shawinigan Falls, L'Echo du St. Maurice; Sherbrooke, Record; Sherbrooke, La Tribune; Sorel, Le Courrier; St. Lambert, So. Shore Press; St. Hyacinthe, Le Clairon; St. Jerome, L'Avenir du Nord; St. Johns, Canada Francais; St. Justin, L'Echo; Thetford Mines, Le Canadien; Trois Rivieres, Chronicle; Valleyfield, Le Progres; Waterloo, Le Journal.

RIVIERE DU LOUP WHARF

Mr. POULIOT:

1. What amount was paid each month in 1930, (a) for truck service, (b) for taxi or automobile service, out of the vote for repairs at the Riviere du Loup wharf?
2. What amount was paid to each taxi or automobile owner or chauffeur each month?

Mr. STEWART (Leeds):

1. (a) November, 1930—$150, trucking pile driver to and from Levis, P.Q., (b) Nil.
2. Answered by No. 1.

FRASER RIVER PROTECTION WORK

Mr. REID:

1. Have any of the contracts which were let last year in connection with the protection work on the Fraser river been subsequently sublet by the original contractors?
2. If so, what are the names of the subcontractors and what portion or portions of the contract work have been sublet?
3. Was permission granted to the said contractors before any of the work was sublet?
4. If so, by whom was permission granted, and what was the date of such authorization?
5. What are the names of the contractors who have sublet any of the original contracts?

Mr. STEWART (Leeds):

1. No information.

2 to 5.—Answered by No. 1.

[Mr. H. A. Stewart.]

MONTREAL HARBOUR COMMISSION—DISMISSALS

Mr. ST-PERE:

1. Did the Montreal harbour commission dismiss some employees?
2. If so, how many?
3. How many employees of the Montreal harbour commission were on duty in the month of May, 1930?

Hon. Mr. DURANLEAU:

The following answers have been furnished by the Montreal harbour commissioners:

1. Yes.

2. Eleven employees were dismissed.

3. 1,661.

TELEGRAPH OPERATORS AND REPAIRERS—DISMISSALS

Mr. CASGRAIN:

1. Were male and female operators and telegraph line repairers dismissed from their work since July 28, 1930, in the counties of Montmorency, Charlevoix, Saguenay and the north shore?
2. If so, why were they dismissed?
3. By whom were complaints made?
4. What was the nature of these complaints?
5. Who are the new incumbents appointed in each case, in each county?
6. By whom were they recommended?
7. Did the new incumbents pass the examinations of the Civil Service Commission?

Mr. STEWART (Leeds): 1 to 7. One. The telegraph office at Cariboo Islands, P.Q., was transferred from the residence of Johnny Jourdain to that of Joseph Chouinard from where it was transferred in 1926.

RIVIERE DU LOUP WHARF

Mr. POULIOT:

1. Who were, (a) the carpenters, (b) the labourers employed at the wharf at Riviere du Loup, Quebec, since September 8, 1930, to December 31, 1930?
2. What amount has been paid to each person or firm for materials for repairs at Riviere du Loup wharf from September 8, 1930, to December 31, 1930?

Mr. STEWART (Leeds):

1. (a) Alexandre Ouellet, Emile Madore, Alfred Pelletier, J. B. Roussel, Alfred Potvin, Ludger Desrosiers, O. R. Nadeau, Jean Lepage, Philippe Soucy, Francois Cimon, Damase Cimon, Napoleon Danjou; (b) Guillaume Boucher, Armand Roussel, Joseph Beaulieu, Francois Meunier, Albert Carrier, Leonce Langevin, Philippe St. Laurent, Charles Larouche, Amedee Beaulieu, Joseph Marcotte, Arthur Fortin, Wilbrod Ouellet, Joseph Chasse, Francois Thoral, Alfred Dube, Elzear Belanger.

2. La Ferronnerie Riviere du Loup, $257.31; South Shore Pulp & Lumber Co., $680.04; Aime Dionne, $1,917.54; The Chinic Hardware Company, $559.67; C. E. Desjardins, $16.65; Paul Hodgson, $15.31; Emile Dube, $401.62; Fonderie & Machinerie Montsarrat, $8.13; Garage Marquis, $15.41; J. O. Nadeau, $7.50.

ROYAL GRAIN COMMISSION

Mr. BEAUBIEN:

1. What was the total cost of the Stamp commission appointed by the government to investigate the trading in futures?
2. What amounts were paid to each of the three commissioners, (a) for fees, (b) for expenses?
3. What lawyers were engaged by the government or any department of the government on the commission, and what was paid to them, (a) for fees; (b) for expenses?

Mr. BENNETT: As the accounts are not yet complete, the total cost of the commission cannot yet be stated.

Mr. BEAUBIEN: The answer does not convey the information requested.

Mr. BENNETT: That is the answer.

Mr. BEAUBIEN: Why not leave the question on the order paper until the accounts are received, and then furnish the answer?

CANADIAN FARM LOAN ACT

Mr. CASGRAIN:

1. What are the names of the persons, in the parish of Sacre-Cœur, county of Saguenay, who have applied for loans on their properties under the provisions of the Farm Loan Act?
2. For what amounts were loans requested?
3. Were these applications granted?
4. If so, when? If not, why?

Mr. CASGRAIN:

1. What are the names of the persons, in the parish of Bergeronnes, county of Saguenay who have applied for loans on their properties under the provisions of the Farm Loan Act?
2. For what amounts were loans requested?
3. Were these applications granted?
4. If so, when? If not, why?

Mr. CASGRAIN:

1. What are the names of the persons, in the counties of Montmorency, Charlevoix and Saguenay, who have applied for loans on their properties under the provisions of the Farm Loan Act?
2. For what amounts were loans requested?
3. Were these applications granted?
4. If so, when? If not, why?

Mr. BENNETT: These three questions relate to matters not of government record but having to do with the business of the Canadian Farm Loan Board. Further, it is not considered in the public interest for the board to give out information in detail respecting the applications received from and loans made to individuals.

Mr. RINFRET: As the hon. member asking this question is not in the house I would suggest that it be allowed to stand.

Question stands.

CANADIAN NATIONAL RAILWAYS—NOEL PLOURDE

Mr. POULIOT:

1. Is it the intention of the Canadian National Railways to reinstate Mr. Noel Plourde, ex-conductor?
2. If so, when?

Mr. BENNETT: Mr. Speaker, this question reads: "Is it the intention of the Canadian National Railways to reinstate Mr. Noel Plourde." Surely we have reached the stage where such a question should not be asked.

Mr. POULIOT: I should not like to ask a question which causes discomfort to the cabinet.

Mr. MANION: The cabinet has nothing at all to do with the question.

TORONTO FAIRS

Mr. LUCHKOVICH:

1. What were the net earnings and profits of the two Toronto fairs?
2. What were the net earnings and profits of the class A fairs in Canada?
3. What were the net earnings and profits of the class B fairs in Canada?
4. What grants are the Toronto fairs now receiving?
5. What grants are the A class and B class fairs receiving?
6. Where are the A class and B class fairs situated?

Mr. WEIR (Melfort): We have not the information asked for in questions 1, 2 and 3.

Mr. SPEAKER: That information can be given when the answer is furnished; in the meantime the question can stand.

Question stands.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GRASS AND CLOVER SEEDS

Mr. VENIOT:

1. Has the government any record of production of grass seeds and clover for marketable purposes in different provinces of Canada during the calendar years 1928, 1929 and 1930?
2. If so, what were the amounts for the different provinces, and what were wholesale prices in provinces where these seeds were produced?

3. What were the amounts of grass and clover seeds imported into Canada during the fiscal years ending March 31, 1929, 1930 and 1931, and what were the countries of origin?
4. Have any increases or decreases in customs duties been made since March 31, 1921?
5. If so, in what years and to what extent?
6. Was any action taken on these items during the special session of September, 1930, if so, what was nature and extent?

Mr. CAHAN: Mr. Speaker, I file the return forthwith.

PENSION TRIBUNALS—APPEALS

Mr. MACKENZIE (Vancouver Centre):

1. How many appeals have been heard by the pensions tribunals up to May 15, 1931?
2. What is the total cost of operating the pensions tribunals, including all travelling expenses, staff, salaries of members, etc., up to May 15, 1931?
3. What is the total cost of operating the Pensions Appeal court, including all travelling expenses, staff, salaries of members, etc., up to May 15, 1931?
4. How many pensions are actually now being paid to pensioners who have appeared before pensions tribunals and whose claims have been allowed?
5. Is it the intention of the government to use any of the members of the former federal appeal board for the balance of their unexpired contract in any reorganization scheme the department may have in mind?
6. At the present moment, how long would it take for an appeal filed now to be heard by the pensions tribunal if taken in its turn?

CANADIAN NATIONAL AND CANADIAN PACIFIC TRAIN SERVICES

Mr. BLAIR:

1. How many trains have been taken off the lines of the Canadian National railways since January 1, 1931?
2. How many trains were taken off the Canadian Pacific railway lines during the same period?
3. How many men were laid off by the Canadian National Railway since January 1, 1931?
4. How many men were dismissed or laid off by the Canadian Pacific Railway during the same period?

Mr. BLAIR:

1. How many train services were curtailed or discontinued: (a) on the Canadian National railways; (b) on the Canadian Pacific railway, during the calendar year 1930?
2. How many men were dismissed or laid off: (a) by the Canadian Pacific Railway; (b) by the Canadian National Railways, during the calendar year 1930?

Mr. MANION: Mr. Speaker, both these questions refer to the Canadian Pacific as well as to the Canadian National Railways. We have no information as to the Canadian Pacific Railways, and the questions should stand as orders for returns so far as the Canadian National Railways is concerned.

[Mr. Veniot.]

TARIFF ON BUTTER

Mr. POULIOT:

1. What is the highest tariff that was levied on butter?
2. On what date?
3. What was the lowest price at which butter sold, (a) during the last ten years, (b) during the last twenty years, (c) during the last thirty years?
4. Give the details showing when the price was lowest in each period?

WORLD WHEAT CONFERENCE—LONDON MEETING

Mr. CASGRAIN:

What was the cost of the wheat conference held recently at London, including the cost of cablegrams and telephones exchanged between the Prime Minister of Canada and Canada's representative in England, the hon. G. Howard Ferguson?

UNOPPOSED MOTIONS FOR PAPERS

VAUDREUIL MAIL ROUTES

Mr. THAUVETTE:

For a copy of all reports and correspondence in the possession of the Postmaster General, regarding rural mail routes numbers 1 and 2, Vaudreuil station, village of Vaudreuil, Quebec.

STE. JUSTINE POSTMASTER

Mr. THAUVETTE:

For a copy of all telegrams, letters, complaints, requests for inquiries and all other documents, exchanged with the Post Office Department and any member of the government, regarding the dismissal of Mr. Dollard Menard, as postmaster of Ste. Justine, and the appointment of his temporary or permanent successor.

ESTIMATES, 1930-31

Mr. POULIOT:

For a return showing a detailed list of items included in section (d) of vote 323 of the estimates 1930-31 with the amount of each item.

For a return showing a complete list of items included in section (d) of vote 65 of the supplementary estimates, 1930-31, of the Canadian National Railways, with the amount of each item.

ST. REMI, NAPIERVILLE, RURAL ROUTE NO. 1

Mr. DUPUIS:

For a copy of all reports, tenders and correspondence, in the possession of the Post Office Department, regarding rural route No. 1, of the parish of St. Remi, in the county of Napierville, Quebec, since August 1, 1930.

LA HAVE, NOVA SCOTIA, SEIZURE OF SUGAR

Mr. POWER (for Mr. Duff):

For a copy of all letters, telegrams, memoranda, correspondence, reports, etc.; regarding the seizure of some 55 bags of sugar at La Have, Nova Scotia, in the year 1930, between the minister and officials of the Department of National Revenue at Ottawa and the officials of

said department and any other person or persons in the province of Nova Scotia, as well as the copy of instructions issued by the said department regarding the seizure, advertising and sale of tender of said sugar, the cost of said advertising and sale, and the gross and net proceeds of said sale.

INDIAN HEAD AND SUTHERLAND FORESTRY NURSERIES STATIONS

Mr. GARLAND (Bow River):

For a copy of all correspondence, letters, telegrams, memoranda and other documents passing between the Dominion government and the province of Alberta since January, 1929, in which reference is made to the forestry nurseries stations at Indian Head and Sutherland.

GRANDES-BERGERONNES RIVER—STONE DREDGING

Mr. CASGRAIN:

For a copy of all correspondence and other documents in the possession of the Department of Public Works, at Ottawa and Quebec, in connection with certain stone dredging works in the river Grandes-Bergeronnes in the summer of 1929, and the payment of the sum of $50 to be made to Mr. Victor Guay, mayor of the parish of Grandes-Bergeronnes, in the county of Saguenay, for doing the said works.

LES EBOULEMENTS-CHARLEVOIX TRANSPORTATION OF MAIL

Mr. CASGRAIN:

For a copy of all correspondence, calls for tenders and other documents, in the possession of the Post Office Department at Ottawa and Quebec, regarding tenders called for the transportation of mail from the wharf of Les Eboulements to the railway station of Les Eboulements, in the county of Charlevoix.

ST. SIMEON-ST. CHRETIEN MAIL CONTRACT

Mr. CASGRAIN:

For a copy of all documents in the possession of the Post Office Department at Ottawa and Quebec, regarding calls for tenders for the mail contract between St. Simeon and the post office of St. Chretien, in the parish of St. Simeon, county of Charlevoix.

ILE-AUX-COUDRES PIER, CHARLEVOIX LIGHTHOUSE KEEPER

Mr. CASGRAIN:

For a copy of all correspondence and other documents, including a copy of examinations passed by the various candidates who applied for the position of lighthouse keeper of the Ile-aux-Coudres pier, in the county of Charlevoix.

SAGUENAY COUNTY INDIAN RESERVES

Mr. CASGRAIN:

For a copy of all correspondence and other documents, including pay lists, in the possession of the Department of Indian Affairs, under the control of the Interior department, regarding construction and improvement works done during the year 1930, within the limits of the various Indian reserves in the county of Saguenay, and on the north shore of the St. Lawrence river.

CLEEVES, SASKATCHEWAN, POST OFFICE

Mr. VALLANCE (for Mr. McIntosh):

For a copy of all correspondence, letters, telegrams, reports, requests, and other documents, exchanged between the Post Office Department and any other person or persons since July 29, 1930, with reference to the post office of Cleeves, Saskatchewan.

GLASLYN, SASKATCHEWAN, POST OFFICE

Mr. VALLANCE (for Mr. McIntosh):

For a copy of all correspondence, letters, telegrams, reports, requests, and other documents, exchanged between the Post Office Department and any other person or persons since July 29, 1930, with reference to the post office of Glaslyn, Saskatchewan.

POINTE-AU-PIC, PUBLIC BUILDING

Mr. CASGRAIN:

For a copy of all correspondence, letters, telegrams, requests and other documents, in the possession of the Public Works department at Ottawa and Quebec, in connection with the construction of a public building for the use of the Post Office Department, at Pointe-au-Pic, county of Charlevoix.

POINTE-AU-PIC, CHARLEVOIX, RURAL ROUTE NO. 1

Mr. CASGRAIN:

For a copy of all correspondence and other documents, including calls for tenders, in the possession of the Post Office Department at Ottawa and Quebec, regarding rural route No. 1, at Pointe-au-Pic, in the county of Charlevoix.

BAIE STE. CATHERINE, SAGUENAY COUNTY, WHARF

Mr. CASGRAIN:

For a copy of all correspondence and other documents, in the possession of the Public Works department at Ottawa and Quebec, and the minister or officers of the Roads Department at Quebec, with reference to the construction of a wharf at Baie Ste. Catherine, in the county of Saguenay.

CANADIAN NATIONAL RAILWAYS—RIVIERE DU LOUP STATION

Mr. POULIOT:

For a copy of all correspondence exchanged between (a) the right honourable Prime Minister, (b) the honourable Minister of Marine, (c) the honourable Postmaster General, (d) the honourable Solicitor General, (e) the honourable Secretary of State, (f) the private secretary of each one of them, and Mr. C. E. Dube, regarding the construction of a new Canadian National Railways station at Riviere du Loup, from July 29, 1930, to date.

Mr. POULIOT:

For a copy of calls for tenders, notices published in the papers, estimates, and forms of tenders, in connection with the construction of a new Canadian National Railways station at Riviere du Loup, Quebec, which the Department of Railways and Canals has refused to sanction.

Mr. POULIOT:

For a copy of the letter or telegram sent by the honourable Minister of Marine to Mr. C. E. Dube, of Riviere du Loup, in reply to his letter on October 2, 1930, with reference to the Riviere du Loup station.

Mr. POULIOT:

For a copy of the correspondence exchanged between the honourable Minister of Railways and Canals and Mr. C. E. Dube, of Riviere du Loup, said correspondence having been mentioned in a letter of the said Mr. Dube to the honourable Minister of Marine, under date of October 2, 1930, with reference to tenders for the construction of a new station at Riviere du Loup.

Mr. POULIOT:

For a copy of the letter written by the honourable Minister of Railways and Canals to Mr. C. E. Dube, after October 18, 1930, in reply to his letter of October 14, 1930, regarding the station of Riviere du Loup.

MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS—ESTIMATES

Mr. POULIOT:

For a return showing a complete list of the Canadian National Railways estimates, totalling between $8,000,000 and $9,000,000, which were voted by the House of Commons last year and which were switched to other purposes, as referred to by the honourable Minister of Railways and Canals on May 22, 1931, Hansard, page 2061, second column.

Hon. R. J. MANION (Minister of Railways and Canals): In regard to this motion and some of the others of the hon. member for Témiscouata, the national railways have represented to me that it would take weeks of the time of many of their clerks to secure the information asked for. Under the circumstances they protest against being asked to use their employees for purposes of this kind.

Mr. POULIOT: It would relieve unemployment to answer these questions.

Mr. MANION: The employees that would have to do this work are employed at present.

Mr. MACKENZIE KING: I think we agreed the other evening that the practice of what is called "switching votes" was not a wise one. It would probably set the directors of the national railways to thinking about this if they were asked to give an accounting.

Mr. BENNETT: The practice has been going on for several years.

[Mr. Pouliot.]

Mr. MACKENZIE KING: But the sooner it is stopped the better.

Motion agreed to.

MONTMORENCY, CHARLEVOIX AND SAGUENAY FARM LOANS

Mr. CASGRAIN:

For a copy of all correspondence and other documents in the possession of the authorities charged with the administration of farm loans, with regard to applications for loans made by virtue of the Farm Loan Act, in the counties of Montmorency, Charlevoix and Saguenay.

Mr. BENNETT: This motion as submitted cannot properly be carried. It strikes at the very foundation of the business of the Canadian Farm Loan Board. It has not been customary for private organizations to make public the names of people who apply for loans and who may or may not have been successful. The essence of the maintenance of this organization is that business is conducted in a businesslike way. The hon. member is not in his place, but I cannot see that that can make any difference. This is a farm loan board; it is a separate organization in which we are merely shareholders, and it is not in the public interest that the information should be given.

Mr. SPEAKER: The motion may be allowed to stand in the absence of the hon. member.

Mr. BENNETT: I cannot see that that will make any difference.

Mr. MACKENZIE KING: When the hon. member reads what my right hon. friend has said, he may drop the motion.

Mr. BENNETT: Yes.

Motion stands.

LES EBOULEMENTS, CHARLEVOIX COUNTY, MAIL SERVICE

Mr. CASGRAIN:

For a copy of all correspondence, calls for tenders and other documents in the possession of the Post Office Department at Ottawa and Quebec, with regard to tenders called for the transportation of mail from the station of Les Eboulements to the village of Les Eboulements, in the county of Charlevoix.

Mr. CAHAN: Perhaps it is lack of understanding on my part, but this motion seems to be already covered by No. 10 which has been passed, in reference to the same matter. They seem to be exact duplicates.

Mr. POWER: They are not the same.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS—RIVIERE-DU-GOUFFRE IMPROVEMENT WORKS

Mr. CASGRAIN:

For a copy of all correspondence and other documents, report or reports made by the chief regional engineer of the Canadian National Railways, regarding certain improvement works to be done on the shores of Riviere-du-Gouffre, at Baie St. Paul, in the county of Charlevoix, for the protection of bridge piers, the property of the Canadian National Railways.

Mr. BENNETT: This motion should not be passed. Reports made by engineers, in the course of their employment, to their chiefs have been held in the courts to be privileged under certain circumstances and it does not seem to be conducive to the proper conduct of the business of the Canadian National if an engineer's reports to his superior in connection with contemplated undertakings are to be brought down to the house. It is not quite fair to the railway company, and I trust the hon. member who is asking for the information will realize this. Any representation, of course, for the expenditure of money has to be laid before the house. We have no knowledge of the records and the Canadian National very properly complain that if engineers' reports for the guidance of the executive of the company are brought down to the house, this is putting them in a different position from that of their competitor with regard to their business.

Mr. MACKENZIE KING: Perhaps this request might be brought to the attention of the national railways.

Mr. BENNETT: I know that that is their view with respect to many requests made this session, and they want to know where it is going to end. That is why I mention the matter. I think the hon. gentleman will see the force of the objection to the production of an engineer's report to his superior. Of course, if action is taken, the executive of the railway must be responsible for it, and in some instances the capital has to be found by us; in others it may come within the sphere of maintenance operation. I think the hon. member who made the motion is not present, and therefore it may stand, but I think it should not pass.

Mr. SPEAKER: In the absence of the hon. member in whose name the resolution appears, it will stand. Possibly he may withdraw it in view of what has been said.

CANADIAN NATIONAL RAILWAYS—RIVIERE-DU-LOUP STATION

Mr. POULIOT:

For a copy of letters written by Mr. C. E. Dube, of Riviere du Loup, to Mr. W. U. Appleton, general manager of the Canadian National Railways at Moncton, New Brunswick, on August 23 and 30, 1930, regarding tenders called for the construction of a new station at Riviere du Loup.

Mr. BENNETT: This is a question about which the house should at least think before it adopts a motion of this character. A private citizen writes a letter to the general manager of the railways. It is now asked that that letter be brought down to the house. We should consider where such a procedure leads and I leave it entirely in the judgment of the house whether they think the railway business should be conducted in that fashion.

Some hon. MEMBERS: Dropped.

Mr. POULIOT: I cannot drop the question because those letters have been partly published in a newspaper, so that it was the intention of the writer of the letters to make them public. As they have been made partly public, they must be published as a whole. That is why I ask for copies of those letters. Moreover, my right hon. friend told me this morning that the Canadian National will come to parliament again asking for money. Therefore we wish to know what is going on and that is why we are asking for information that has been made partly public by the writer of the letters.

Mr. MACKENZIE KING: Perhaps the Prime Minister will agree there is a difference in this case, in that the letters referred to in the motion have already in part been made public by the writer.

Mr. BENNETT: There is nothing to that effect in the motion.

Mr. MACKENZIE KING: I suggest it might be inserted in the motion. If part of the communication has been made public, the whole of it should be brought down.

Mr. MANION: The Canadian National Railway is being treated as if it were a private enterprise such as the Canadian Pacific Railway Company. What right has an hon. member to demand the production of a letter from a private citizen to one of the officials of the Canadian National Railways? If I were an officer of the railway company I should say that I would not produce any such communication, and that would be the end of it.

Sir EUGENE FISET: The Minister of Railways should remember that he is dealing with the eastern division of the Canadian National Railways. I think it has been the practice to deal with that division differently from the others. It has always been the practice to furnish more information with regard to the eastern division.

Mr. POWER: There is—

Mr. SPEAKER: The motion is not debatable. The Minister of Railways has raised a point of order to the effect that the resolution is not in order. I sustain the objection and order the motion to be stricken out.

Motion dropped.

Mr. POULIOT:

For a copy of the letter of Mr. C. E. Dube, of Riviere du Loup, to Mr. W. U. Appleton, General Manager of the Canadian National Railways at Moncton, dated September 12, 1930, regarding the station at Riviere du Loup, and also a copy of Mr. Appleton's reply to said letter.

Mr. BENNETT: The motion is similar to No. 24.

Mr. MANION: Yes, it is the same as No. 24.

Mr. SPEAKER: The same objection is raised as was offered to the previous motion.

Mr. POULIOT: I wish to say a word or two before any disposition is made of the motion. A letter from Mr. Dube to Mr. Appleton has been published in the press, but the reply has not been published. That is why I ask for the information.

Mr. MANION: I object to the passing of this resolution.

Mr. SPEAKER: I sustain the objection and order the motion to be stricken off the order paper.

Motion dropped.

Mr. POULIOT:

For a copy of the letter written by the Right Honourable Prime Minister or by any other person acting under his instructions, to the Honourable Minister of Labour transmitting to him the letters of Mr. C. E. Dube, dated August 25 and September 11, 1930.

Mr. BENNETT: The words "or by any other person acting under his instructions" might be somewhat out of order. At this date it may be difficult to secure the information desired, but if there are any letters we shall be glad to produce them.

Mr. POULIOT: My right hon. friend knows I will do any thing in the world to please him, provided it is not against my convictions.

Motion agreed to.

WORLD WHEAT CONFERENCE—LONDON MEETING

Mr. CASGRAIN:

For a copy of all documents, telegrams and other communications exchanged between the Prime Minister of Canada and Canada's representative in England, the Honourable G. Howard Ferguson, regarding the wheat conference held recently at London.

[Sir Eugène Fiset.]

Mr. BENNETT: I think it is a matter of common knowledge that the information here sought cannot be supplied. Communications between representatives of this country in England and the government here are privileged. Of course any action that is taken is a proper subject of comment, but if communications of this kind were made public, government could not be carried on. I inquired this morning and was told that the communications could not be supplied, and that it had never been the practice in the past to request that such be done.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BENNETT: No.

Mr. SPEAKER: In the absence of the hon member in whose name the resolution stands—

Mr. MACKENZIE KING: I agree with the remarks of the Prime Minister with regard to communications between this government and the high commissioner in London. Such communications, unless quite evidently intended otherwise, have always been regarded as privileged.

Mr. BENNETT: Yes, I am so informed.

Mr. SPEAKER: The resolution will be stricken out.

Motion dropped.

ST. MARY'S ROAD, P.E.I.—POSTMISTRESS

Mr. MacLEAN:

For a copy of all orders, correspondence, reports, memoranda and letters; also a copy of all evidence, in the possession of the Postmaster General or any member of the government, regarding the dismissal of Mrs. Rosana McGuigan, postmistress at St. Mary's Road, King's county, Prince Edward Island; also a tabulated statement giving the expenses of each person attending the trial and the amount paid to each, including the commissioner who carried on the investigation.

Mr. BENNETT: Unless information is desired over a long period of time, the date should be put in.

Mr. MacLEAN: Since last August.

Mr. SPEAKER: The motion will be amended by the addition of the words "since August, 1930".

Motion as amended agreed to.

CANADIAN NATIONAL RAILWAYS

AUTHORITY TO ISSUE CERTIFICATES FOR $68,500,000 TO MEET EXPENDITURES AND INDEBTEDNESS IN 1931

Right Hon. R. B. BENNETT (Prime Minister) moved that the house go into

committee of the whole at the next sitting to consider the following proposed resolution:

That the governor in council may authorize the guarantee of securities of the Canadian National Railway Company to an aggregate principal amount at any one time outstanding of $68,500,000, to meet expenditures made and indebtedness incurred during the calendar year 1931 (where amounts available from net operating income or investments may be insufficient), by or on behalf of the Canadian National Railways or any company controlled by or any company comprised in the Canadian National Railways, or in respect of Canadian Government railways entrusted to the Canadian National Railway Company.

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

Mr. POULIOT: Before the motion is adopted I would like to ask the right hon. Prime Minister—

Some hon. MEMBERS: Order.

Mr. BENNETT: This is only a notice.

Mr. POULIOT: Very well; my remarks also will be only a notice.

Motion agreed to.

TARIFF SCHEDULES

PRINTING OF PRESENT AND PROPOSED RATES FOR PURPOSES OF COMPARISON ON THE ORDERS OF THE DAY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister if it will be possible, in connection with the schedules involving tariff changes which he laid on the table this afternoon, to have printed as a part of the table containing such schedules the present rates so that it will be easier to compare them with the rates as proposed in the budget?

Right Hon. R. B. BENNETT (Prime Minister): The resolutions would not be changed from the terms in which they are submitted. However, before they are taken up an effort will be made to comply with the suggestion of the right hon. gentleman. I spoke to the officials of the department along those lines on Saturday last.

Mr. MACKENZIE KING: I suppose the same course will be followed as was followed at the special session; comparative tables will be printed in the votes and proceedings?

Mr. BENNETT: They could not be printed in the votes and proceedings for to-morrow.

Mr. MACKENZIE KING: But at the earliest date?

Mr. BENNETT: At the earliest possible date, yes; that will be done. In fact had it not been for the exceptional circumstances we should have been able to do it.

Mr. MACKENZIE KING: Probably it could be done by Thursday? I do not think it would take the department very long.

Mr. BENNETT: I do not like to promise my right hon. friend, but an effort will be made to do it.

BUSINESS OF THE HOUSE

ADJOURNMENT IN HONOUR OF THE KING'S BIRTHDAY

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Owing to the fact that Wednesday will be the last of the short sitting days and that on that day a garden party will be given by Their Excellencies which hon. members will wish to attend, we should be able to sit only about an hour. I propose therefore to give notice that to-morrow at the adjournment we will move to adjourn until Thursday at three o'clock. I have spoken to my right hon. friend opposite concerning the matter, and we have thought that rather than sit for only one hour it would be advisable to adjourn from Tuesday evening until Thursday.

AIR MAIL SERVICE

REPORTED CANCELLATION OF EXISTING CONTRACTS

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): May I ask the Prime Minister a question in regard to the air mail service? I hope his answer will be in the negative. There is a report in the press stating that air mail services are all to be cancelled.

Right Hon. R. B. BENNETT (Prime Minister): I am glad the hon. member has brought the matter up, because the report in the press was not correct. The truth is that instructions have been given that on June 15 a notice of cancellation be given with respect to all air mail contracts because the contractors have intimated that they might be able to carry on the work on a different basis from that which now obtains. Before any action was taken it was thought desirable that the government should be free to continue or discontinue the services, as it might deem wise. For those reasons not cancellation but merely

notice of it within the terms of the contracts has been given with respect to all air mail services.

Mr. VENIOT: For one month?

Mr. BENNETT: Yes. I think one contract extends for sixty days, but one month is the usual term. It does not follow that all air mail contracts are to be cancelled, but means that the government is in a position to deal properly with the matter.

Mr. VENIOT: The newspaper report has left an improper impression.

RAILWAYS AND SHIPPING

Mr. R. W. GRAY (West Lambton): Can the hon. Minister of Railways (Mr. Manion) tell us when the special committee on railways and shipping will begin their sittings?

Hon. R. J. MANION (Minister of Railways and Canals): The committee will be called together very shortly, probably this week, and at least they will be able to deal with last year's expenditures.

SUPPLY

EMBARGO ON RUSSIAN GOODS—GOVERNMENT BY ORDER IN COUNCIL—AMENDMENT, MR. BOURASSA

The house resumed from Wednesday, May 27, consideration of the motion of Mr. Guthrie (for the Minister of Finance) for committee of supply, and the amendment thereto of Mr. Bourassa.

Mr. ARMAND LAVERGNE (Montmagny): Mr. Speaker, I ask the indulgence of hon. members in discussing the amendment of the hon. member for Labelle (Mr. Bourassa), especially as I have to answer one of the oldest and most eloquent members of this house, and to follow the impressive speech which has been delivered this afternoon by the right hon. leader of the government (Mr. Bennett).

I am not one of the upholders of the church of which the hon. member for Labelle spoke last Wednesday; I wish I were. I am merely a poor sinner in that respect and would not like to take away from the crown of those who deserve them the laurels that they have self-imposed upon themselves. In fact I would not have spoken at all if the hon. member had deemed the question which I put to him the other day fit for an answer. I must confess that I remember the days when he would have been quite ready to furnish an answer, but I suppose times have changed. After an assertion by him I asked for some information, but he refused it, and this forces me to impose upon the house my few and short remarks to-night.

The hon. member for Labelle asserted, if I remember correctly—and he will correct me if I am wrong—that revolutions were always organized in the country involved and were brought about in an effort to redress intolerable grievances. I was just rising to ask him was this assertion quite correct, when he silenced me by referring me to the rules of the houses. These do not prohibit one member from putting a question to another, but undoubtedly he was within his rights in declining to answer. If I remember well, the French revolution, quoted by him had not its origin in France but, as has been abundantly proven, was organized in Germany, in England and in Austria. The Russian revolution—I would not say it was dear to the heart of the hon. member, but he quoted it frequently in his speech—was not organized in Russia; it was organized by Lloyd George in England, by certain persons in Germany—

An hon. MEMBER: And by Premier King in Canada.

Mr. LAVERGNE: It may be that birds of a feather flock together; my hon. friend knows better than I do. Certainly it was organized by Germany, because to-day everyone knows that Rasputin was a paid agent of the German government. It follows that my very modest question could have been answered in a word and the house would have been spared the trouble of hearing me to-night.

The amendment moved by the hon. member for Labelle is very general in its terms and expresses the view that government by order in council should not be prolonged and that such government is contrary to our institutions. I cannot say whether this is intended as a reflection on the past government, which it is not my province to defend, or a slur on the present government; but I can say this, that the order in council barring Russian goods was approved by the Quebec government, the Catholic hierarchy, and authorized by this house at the special session last September by the legislation that was then enacted.

But I am just wondering whether there was not an ulterior motive to the hon. gentleman's motion. There is no doubt, Mr. Speaker—and no one knows it better than hon. members to your left—that the preamble of the order in council passed by the present government barring Russian goods

staggered our hon. friends of the Liberal party in Quebec and put them in a very awkward position. Was the amendment moved by the hon. member for Labelle for the purpose of restoring to them a little of their lost courage and putting them again on their feet? I would not say so, but in my opinion it looks somewhat as if that were its purpose. I may say to my hon. friends to your left, Mr. Speaker, and especially to my hon. friend from Témiscouata (Mr. Pouliot), whom I see in front of me, that their allies, the Taschereau government, took the lead in this question. The hon. member for Labelle, who speaks for the church, forgot to endorse the action taken by the Archbishop of Montreal, Monseigneur Gauthier, who also condemned Russia. In attacking the government I wonder whether with his courage of old he goes to the very bottom of the question, because I claim not only the privilege but the honour to have been the first person in the Dominion to present my congratulations to the government of Canada upon the action they took in barring Russian goods and saying in effect: We will have no truck or trade with the bolshevists. I would have been happy for more than one reason if, instead of denouncing the Pharisees, of which I am one I suppose; if instead of denouncing the hypocrites, of which I am one also I suppose, the hon. member had told us whether he was in favour of trade with Russia—he forgot to tell us—and whether he was in favour of Canada, a Christian country, encouraging what is going on in Russia at the present time. That was what we expected from him in the province of Quebec, and that is what we have not heard. That is where we were highly disappointed, I must say. It is easy to throw sarcasm at the government, based on the variations of the past government, which accepted trade with Russia, refused it and accepted it again. That does not settle the question. The question is higher than that; it is the fight between two civilizations. There is the civilization of Russia, if it may be so called, and the materialistic ideals, if such exist, on the one side, and the great civilizations which we defend, on the other. The hon. member for Labelle may have said, with laughter in his voice and irony in his mind, that this government were crusaders. I may be very reactionary; I may be only a humble habitant of the province of Quebec, representing humble habitants, but I am glad and proud to have been the first to say and to repeat that when the government of Canada stopped trade with Russia, the government acted as crusaders. It is all very well to say that a government which cannot sustain its acting by deeds has no power; I think the hon. member was quoting the late Mr. Guizot, who said:

A self-governing nation does not speak unless it is capable of making its word good.

I claim first of all that we have made our words good. I also claim that we gave an example to the world, and I have not learned at the school of the hon. member for Labelle —though I have been there for the last twenty years—that one should stop doing a good deed because it seems impossible or not feasible. The thing is to do right; to thine own self be true. Try to do what you think is right. If it is not feasible or if it is not possible it does not matter; you will have tried and done your best. Men may pass republics may pass, even monarchies may pass, but the eternal words of truth and justice remain, and the day will come when they will be accepted.

We have been told by several hon. members that we are ignorant of what has gone on in Russia. I have in my hand a book by Mr. Sokoloff, having to do with the official investigation of the assassination of the czar of Russia, his son, his wife and three danghters. I do not know whether or not hon. members have read it; I am sure some have. I ask you, Mr. Speaker, if there is one modern monstrosity of horror and disgusting crime, such as that revealed in this book. None denies it; no, no one denies it, but there are many people on the other side who get up and defend it. No one denies it; no one defends it, but there are many members willing to rise in their places and say, "Let us put the clean hand of Canada into the bloody hand of a murderer."

Mr. BEAUBIEN: Is it not a fact that the representative of Russia slept with Mr. Ferguson during the wheat conference?

Mr. LAVERGNE: My hon. friend probably knows more about people sleeping together than I do. I will come to that presently.

Mr. BEAUBIEN: They dined together—

Mr. LAVERGNE: They may have dined together.

Mr. BEAUBIEN: —and wined together.

Mr. LAVERGNE: Yes, and wined together, which is probably more shocking. By the way, may I say to my hon. friend from St. Denis that it is very easy to defend the French people and the French language in this house when no one attacks them. The hon. member should have got up in the good old days of the Liberal party, and spoken in the province of Quebec and in other places as I did. Then

he would not be so noisy in the House of Commons. It is easy to be elected by a majority of 17,000, by prejudice and appeals to passion.

Mr. BOUCHARD: If my hon. friend speaks like that he has no title to call himself a habitant from Quebec.

Mr. LAVERGNE: No title to it? I think I have a title just as good as that of my hon. friend. My family have been here for three hundred years. They were all habitants except myself, and they were not paid habitants, as some others are. That title is as good as any on the other side of the house; my hon. friend knows to whom I refer.

I shall not deal further with the assassination of the emperor of Russia, together with his family, in a cellar in Russia, by friends of my hon. friends opposite. Now I take up a book written by a bolshevist; it is called "Naked Russia", by Panait Istrati. My hon. friend from Kamouraska, who is a very well educated man, knows what this author says, I am sure. This man is a bolshevist who has gone back on Russia.

Mr. DENIS (Translation): In what year was this book published?

Mr. LAVERGNE (Translation): In 1929.

Mr. RINFRET: My hon. friend could not read a bad book.

Mr. LAVERGNE: Quite right; can he read at all? This book is written in French; if it were in Russian probably my hon. friend could understand it better. Speaking of the five-year plan so much eulogized in this house, I see the following at page 315, where Mr. Istrati quotes Lenin a member of the Soviet government, as saying:

Au contraire, à la base du plan il faut admettre que notre pays aura à défendre le socialisme les armes à la main.

The translation is, "At the basis of the five-year plan we must admit that our country will have to defend socialism with the force of arms." Are we going to help them with force? They know very well that their five year plan is doomed to failure. They know very well that it is based on communism and slavery. They know it is dependent upon forced labour.

Mr. YOUNG: Why are you afraid of it then?

An hon. MEMBER: Do you wish it?

Mr. LAVERGNE: Let me answer the hon. gentleman. I am opposed to it for three reasons. In the first place—and I know my hon. friend will not like this—I am a Conservative from the province of Quebec. Perhaps that is not a good reason. Well, secondly, I am opposed to it because I am a Christian.

Some hon. MEMBERS: Oh, oh.

Mr. LAVERGNE: My hon. friends laugh; I see nothing amusing in that statement. And in the third place, I am not a socialist. But I will mention another reason. I was not going to speak about this but my hon. friend forces me to do so. I did not intend to quote the pope, and I do not suppose he is an authority whom the hon. gentleman would accept. But the pope was quoted the other day by my hon. friend from Labelle; and the pope, who is an authority so far as I am concerned, has condemned three things in his encyclical.

Mr. POULIOT: If you quote the pope, Long Lake will not support you.

Mr. LAVERGNE: I have heard that sort of argument in the province of Quebec for the last twenty years. May I say, Mr. Speaker, that I have more sympathy with and respect for members of this house who are of Anglo-Saxon and Protestant origin, more respect for the Ku Klux Klan, than I have for Canadians of my race who during the last twenty years have not had the courage to defend that race. Does my hon. friend wish to have me go into details?

Mr. DENIS (Translation): No, I do not require them.

Mr. LAVERGNE: No, he does not; he is too wise to ask for them. In the interruption from my esteemed friend from Temiscouata (Mr. Pouliot), you have, Mr. Speaker, some idea of what the Conservatives of Quebec have had to fight against in the last twenty years. This has been the attitude: "You English-speaking people are too fanatical to give us our rights, because you are not educated enough;" and at the same time hon. members were willing to accept anything coming from that quarter so long as it was sugar-coated enough for them to swallow. My hon. friend from Beauce (Mr. Lacroix), who is one of the wealthy members of the Liberal party, knows that in 1905 I was a Liberal. Does he know why I abandoned that party? Let him ask my hon. friend from Labelle.

Mr. DENIS (Translation): It was a good riddance.

Mr. LAVERGNE: No doubt it was a good riddance—so good that a year or two afterwards that party lost power. But this, Mr. Speaker, is beside the question. I am quite willing to answer questions, but I hate to see

my hon. friends like so many hens on a hot griddle. Now I will come back to the question I was discussing a moment ago, the pope's encyclical. If I can get my hon. friend from Weyburn to accept this authority I shall have at least one conversion to my credit. First of all, the pope condemned communism, and in the second place he declared that no man could be a Catholic and a socialist at the same time. And thirdly—I am sure my hon. friend read the letter, and on this third point I am sorry for my hon. friends from Quebec—he condemned liberalism.

Mr. ST-PERE: Not the way you understand it. The pope condemned liberalism in his interpretation of the word.

Mr. LAVERGNE: I know one thing. I may understand it one way and my hon. friend another, but I think we can agree that the pope condemned it.

Mr. ST-PERE: You have been speaking for the last fifteen minutes against your Quebec compatriots. You are not the only one on the side of orthodoxy.

Mr. LAVERGNE: There is a great deal of difference between the holy father and the St.-Pere.

Mr. ST.-PERE: There is no difference so far as doctrine is concerned. Let me repeat that my hon. friend is not the only one who is on the side of orthodoxy.

Mr. LAVERGNE: I do not pretend to be at all.

Mr. ST.-PERE: That is what the hon. gentleman has been pretending for the last twenty minutes—that he is the Simon Pure of Quebec.

Mr. LAVERGNE: The other day we were condemned as hypocrites because we repudiated bolshevism and would not trade with Russia. It has been suggested that I am a pharisee. May I point out that it is not I who brought up this question; it was first brought up by the hon. member for Labelle and then by the hon. member for Weyburn who asked me a question. I do not see why my hon. friends would get cross. It was not I who condemned liberalism; it was the holy father of our own church.

An hon. MEMBER: The hon. member for Long Lake (Mr. Cowan).

Mr. LAVERGNE: I do not know whether the hon. member for Long Lake did.

Mr. BEAUBIEN: Does my hon. friend mean to say that a man cannot be a Catholic and a Liberal at the same time?

Mr. LAVERGNE: So far as the letter indicates, a man cannot be a good Catholic and a socialist at the same time. So far as I am concerned, a man cannot be a good citizen and a Liberal.

Mr. BEAUBIEN: May I ask the hon. member another question. During the time he was—

Mr. SPEAKER: Without the permission of the hon. member for Montmagny (Mr. LaVergne) the hon. member may not interrupt him. The hon. member for Montmagny has, I think, allowed great latitude.

Mr. BEAUBIEN: The hon. member has sat down, and I take it he allows the question. He said a man could not be a Liberal and a good citizen or a good Catholic. May I ask him this: While he was a Liberal, was he or was he not a good citizen and a good Catholic?

An hon. MEMBER: Liberalism was different then.

Mr. LAVERGNE: The hon. gentleman has asked a question. My hon. friends will not allow me to answer. I wonder if they have ever heard of a man named Paul of Tarsus.

An hon. MEMBER: Does the hon. member mean Saul?

Mr. LAVERGNE: He changed his name and his convictions, so did I.

Mr. POWER: He only did it once.

Mr. LAVERGNE: He only did it once, but he maintained the same attitude. I wish the hon. member for Quebec South (Mr. Power) would do the same.

Mr. POWER: I am not comparing myself to Saul; I do not know the man.

Mr. LAVERGNE: It is worth what it is worth, although it may not be worth very much.

An hon. MEMBER: We agree with that statement.

Mr. LAVERGNE: I am accustomed to all these arguments, I have heard them long, and I am surprised that the hon. members did not bring sticks and stones with them as in days gone by in Quebec.

An hon. MEMBER: Come back to the embargo.

Mr. LAVERGNE: If I have left the embargo it is not because of any fault of my own. I dare any hon. member to condemn this order in council in the province of Quebec. I dare them to stand up whenever they want to, or wherever they want to; I dare

them to take this attitude in Quebec. I give that dare beginning with the noisy senseless one and ending with the noiseless noisy ones. This fight is not a new thing in the province of Quebec, it is as old as the eternal battle between good and evil. If hon. members desire to be sarcastic and call this a mere gesture, I reply that it is only our duty to set an example to the world. As Christians, as Canadians, as a civilized people we should have nothing to do with a nation of murderers and atheists. If this government had done nothing else it would deserve the approval and gratitude, not only of Canada but of the whole civilized world. Hon. members say that we had no mandate to take this action, but let them get up and condemn this so-called gesture. The Catholic hierarchy has approved of it and our mandate as christians is imperative. They will not get up and condemn this openly, but by coming in the back door they try to minimize it by sarcasm or ridicule. Let them come straight to the question.

I am a member of a race which has been in this country for three hundred years. We have been taught to respect authority, to respect the king, to respect the law and to believe that wealth is necessary and should not be looked upon with hatred, jealousy and envy. Do hon. members believe they are going to settle this social question by teaching hatred and envy? Every man is equal, but when? Not until death. Everyone has not the wonderful health of the hon. member for Beauce. Everyone has not an equal amount of wealth.

Mr. LACROIX: The hon. member should not be jealous.

Mr. LAVERGNE: I am not jealous why, my capital has not got to go begging the banks on the eve of fortune, but I do not contend that we should look upon wealth with envy. My only capital is my honour and I would not exchange that for all the wealth of any hon. member.

Mr. DENIS (Translation): You remind me of a person who, having lost his political standing in 1911, is endeavouring to recover it.

Mr. LAVERGNE: I am sorry the hon. member does not understand what I am saying.

Mr. DENIS: I will repeat my remarks in the English language.

Mr. LAVERGNE: I think I understand the French language as well as does the hon. member. I rose in my place to restate and to reaffirm my confidence in the government and the Prime Minister (Mr. Bennett) in having passed this order in council. Jacques Cartier, a Frenchman, came to this country four hundred years ago and planted a cross on the shores of Gaspe. That cross is still there and as long as I have breath in my body and blood in my veins it shall remain.

[Mr. LaVergne.]

Amendment (Mr. Bourassa) negatived.

Motion (Mr. Bennett) agreed to and the house went into committee of supply, Mr. LaVergne in the chair.

SUPPLY

DEPARTMENT OF FISHERIES

Civil government—Fisheries, salaries and contingencies, $212,860.

Mr. DUFF: I notice an increase of $1,000 in the salary of the deputy minister. Will the minister explain that?

Hon. E. N. RHODES (Minister of Fisheries): Unless one were to say that the work of the Department of Fisheries were less important than that of other departments and the consideration less important, I can see no good reason why the salary of the Deputy Minister of Fisheries should not be placed in line with those of deputy ministers of other departments. Having in mind the importance of the fisheries, the importance the government attaches to it, I felt that this office ought not in the matter of salary to be placed in a position inferior to that of similar offices in other departments of government.

Mr. DUFF: If the minister's argument is good, the amount should be $10,000 instead of $8,000. The salary should be the same as that, for instance, of the Deputy Minister of Finance, or of the Deputy Minister of External Affairs. The only objection I have is that this year, when we are talking about economy, when conditions are not as they should be, when, as the Minister of Finance said this afternoon, we are going to have a deficit of something like $75,000,000, is not the right time to increase the salary of the Deputy Minister of Fisheries. It must be remembered that only two years ago this gentleman was receiving a salary of $6,000. Last year the government increased it to $8,000, and now there is another increase of $1,000. Under the circumstances $8,000 should be sufficient for this position.

Mr. RHODES: If the question is one of economy, I may say to my hon. friend that we have saved this amount several times over

in the department itself, because, for example, there is included in this item the salary of a secretary to the minister amounting to $3,960. As a matter of fact I have no private secretary, and I hope to be able to carry on without one, that is to say, without a private secretary brought into the department. I am using a clerk whom I already found in the department, and he is carrying on the work at an additional salary of $600 a year, so that I am saving $3,360 on that one item. A number of deputy ministers receive $9,000, and my explanation to my hon. friend was the exact explanation I gave to my colleagues, namely that it would be inconsistent with the value of the fisheries to the country if with respect to salary we deliberately placed the deputy minister in a position inferior to that of deputy ministers of other departments of government.

Mr. DUFF: But he was in that position last year and the year before. He had less than the others.

Mr. MACKENZIE KING: What are all these extra sundries?

Mr. RHODES: The Department of Fisheries has not hitherto had a minister, and this is only for the purpose of placing the department in position comparable to that of other departments which have ministers. There was a minister, but for only a short time, and this department has never been placed in line with other departments with respect to that item.

Item agreed to.

To assist in the conservation and development of the deep sea fisheries and the demand for fish, $190,000.

Mr. VENIOT: On this item I should like to discuss the question of salmon fisheries. The committee will remember that in the last three or four weeks I drew the attention of the Minister of Fisheries to the new set of regulations which have been adopted by the department in connection with the salmon fisheries, particularly in the province of New Brunswick. I made the suggestion that the matter should be further looked into, as the regulations were not acceptable to the salmon fishermen generally. I was not at that time referring principally to the drift net fishermen but to the fishermen who fish along the coast and open bays and in the rivers by net. The minister told me at that time that it was his intention to send Mr. Found or some other representative of the department to look further into the matter and see if the hardships complained of could be met. Mr. Found went down, and he did meet quite a number of complaints. I understand he held meetings as Charlo, Chatham and St. John. On his return he recommended doing away with the new licence, as well as with the regulations which had been rather strict concerning the placing of nets out of fishing gear. In doing that however he substituted another regulation. I hold in my hand a memorial, a copy of which was sent I believe to the Department of Fisheries, objecting to the new regulation which calls for the placing of nets out of fishing gear. In the past the nets were supposed to be out of fishing gear from sundown on Saturday night until sunrise on Monday morning. Even then the regulation was very difficult to observe. Many times it was impossible to raise the nets along the shores and bays on Saturday nights owing to frequent storms in the Baie des Chaleurs. The same did not apply where nets were being used for salmon fishing in the river. The fishermen in certain portions of the Miramachi would not be affected as much as those in the estuary or the bay of the Miramachi, along the Baie des Chaleurs, in the Restigouche bay or up as far as Heron island. As I say the regulation was difficult to observe. The fishery wardens were very generous however in their treatment of the fishermen when they say it was imposible owing to storms to comply with the law. Where it was obviously impossible to comply with the law, violations were not recognized. Under the newly amended regulations which have come into effect since the visit of Mr. Found to the province of New Brunswick the fishermen are required to raise their nets out of fishing gear on Saturday morning at eight o'clock and leave them in that condition until eight o'clock on Monday. In order to have them properly out of fishing gear however the regulations designate that ten feet of the nets shall be separated or open. Fishermen are complaining, especially along the bay shores that that regulation is unreasonable. In order to comply with the regulation and be within the law they would have to readjust their nets at considerable cost. The lacing of a portion of their nets to the lead would have to be done, and such lacing would have to be taken off each Friday night or Saturday morning at eight o'clock. If a storm came on the regulation could not be complied with. Should a storm arise on Sunday or Monday and continue as it often does in Baie des Chaleurs for two or three days at a stretch, the fishermen have their nets out of fishing gear for three or four days in-

stead of only two days. Salmon is caught within one or two miles of my home, and I have had occasion frequently to visit salmon stands, especially those stands which are held by poles and not weights, as we have in some sections of the bay. Besides, the fishermen are often required to have their nets out of order for two or three days during the week, because the regulations provide that if nets cannot be put out of fishing gear on Saturday night and be left out for two days, then on Tuesday, Wednesday or Thursday the fishermen shall put them out of fishing gear to make up for the two days lost between Saturday and Monday. According to the fishermen in my locality such a regulation is impracticable and cannot be complied with, and to insist upon it would simply drive them out of business. It is for that reason I appeal to-night to the minister to go carefully into the matter. I understand that this is regarded as one method of allowing the salmon to have free access to the spawning grounds. Nobody wishes more than myself to see the salmon given sufficient access to their spawning grounds, but the protection afforded to the salmon for that purpose in connection with the fishing nets along the shore is not carried out in relation to the spawning grounds themselves. It may be said that drift net fishermen have caused a great deal of destruction of the salmon on the way to the spawning ground, and to some extent that is said also of the net fishermen along the shores of the bays and in the rivers. I am told that this argument is based on scientific research. I hold in my hand a book on scientific research, "A Survey of Salmon Fisheries in Eastern Canada," by W. L. Calderwood. I have also another book written by two professors, "A Report on Salmon Fisheries of the Baie des Chaleurs and Adjacent Waters," by Earle B. Phelps, of Columbia university, and L. Belding of Boston. The minister was kind enough to pass me these two books and told me if I made a study of them he was sure I would be convinced that stringent regulations were necessary. I have gone through them and studied them carefully. In one of them I find the following report:

> On the other hand our scientific knowledge of the conditions upon which the productivity of the salmon in Canadian waters depends is far too meagre to permit of any definite statement concerning the quantitative effect of any given catch by the drifters or others upon the river stocks.

The report continues:

> The present governmental restrictions limiting the fishing to certain areas to five nights of the week during the season, May 15 to August 1, and to nets of specified dimensions, is admitted by dominion officials to represent their best judgment in the absence of scientific data. In particular, information has therefore been entirely lacking as to the actual course of migration of fish on their way to the various rivers. In fact, some doubt has been expressed by certain students of this problem as to whether the fish taken in the drift nets are actually migrating to the rivers for the purpose of reproduction or whether they are really in their open-sea environment.

That being the case, how can the department issue regulations based upon that knowledge and that research for the purpose of putting out of gear the nets along the shore and in our rivers? I think the department ought to hesitate until they have further knowledge on which to base such strict regulations. The minister must not forget that there are hundreds of thousands of dollars invested in this industry by our own people, and such regulations as these, especially the regulation which forces them to place their nets out of gear in the manner I have described, will drive our people out of business. If in order to protect the salmon spawning grounds strict regulations must be enforced, then I would advise the departmental officials to see that strangers coming into the country strictly observe the laws in connection with the spawning grounds, because these men make their camps within a gunshot of those grounds. It may be argued that the salmon rivers leased for sporting purposes are well guarded. That is true. I do not believe that there are better fish wardens and guardians in any part of the dominion than on the upper stretches of the Miramichi, and Restigouche, and the Nipisguit and Tetagouche or Middle rivers. But there is the place where the greatest care should be exercised, and a limit imposed on the number of salmon caught by those anglers. If in order to make sport more "sporty"—if I may use the word—for these men during their week or ten days fishing, we must enact regulations to put our own people out of business, then it is time a very searching inquiry should be made.

I know another argument will be used, that the drift salmon fishermen are increasing almost without limit, as are their boats and the size of their nets. But I understand the net fishermen under those regulations are allowed to operate only within a certain number of miles of the mouth of the bay. It will be pointed out that owing to this fishing by drifters, as well as by the shore-net men, the salmon have been depleted in the rivers. I have here a table extracted from one of the books loaned me by the minister, giving the number of boats using drift nets for the years 1922 to 1930. This is the table:

Year	No. of boats
1922	49
1923	50
1924	50
1925	52
1926	52
1927	80
1928	108
1929	136
1930	149

I am told that calculated on the observations of 50 boats, 142,000 salmon were caught by drift nets in 1930. But I claim that that estimate is not correct, and cannot be used to prove that the salmon were fewer in number in the rivers where they go to spawn, because in that year took place the largest catch in the history of anglers on the Restigouche river. In 1928, with 108 boats engaged, there were only 27,600 salmon caught; that is the smallest catch on record with the exception of that of 1926, 23,400. In 1928 not an angler on any of the rivers, the Miramichi, the Nipisguit and the Restigouche, ever complained of the number of the salmon decreasing, while the number of salmon caught by the drift netters increased. This record shows at the same time there never was a season in which the salmon were so plentiful in the Restigouche as in 1930.

That being the case, if these reports are at all correct, and if the department is relying upon them as the foundation for initiating these stringent regulations, then I say it is not because either of the drifters or of the shore net fishermen that salmon are scarce in the rivers that I have mentioned. Local conditions are the cause, and very often the present cause. For instance, especially on the Nipisguit river, and to a large extent on the Restigouche, and the Miramichi years ago but not to-day, a large quantity of lumber comes down. On the Nipisguit the salmon go up as far as Nipisguit falls; they cannot get beyond that point. Their spawning grounds are to be found at the foot of the falls and in the Papineau branch of the Nipisguit. The immense quantity of lumber coming down the Nipisguit river is all stored or boomed between Papineau falls, five miles above the present mill, and the mill site, and there up to last year the quantity of lumber was so great that the water being low the salmon had no passage and could get up to the spawning grounds only in very small numbers. The same is applicable in some years to the Restigouche river. In addition, there are seasons when we have low water in the rivers, when the spring freshets run off swiftly and we have no rains in June and July. The water becomes so low that in some of these rivers the salmon cannot get back to the spawning grounds.

What has happened in the county of Gloucester? Entering into the bay of Chaleur we have four rivers, the Tetagouche, Middle river, Little Nipisiguit and Big Nipisiguit. Up to four years ago we never caught any salmon and saw only an occasional salmon in the Tetagouche river. To-day the Tetagouche is not only a salmon fishing river but a spawning ground as well, which was not the case five or six years ago. Until a few years ago a salmon never had been caught in Middle river, but to-day it is a salmon river. The Little Nipisiguit, where salmon have been caught at odd times during the past few years, to-day is filled with salmon every season. There is almost as good salmon fishing on the Little Nipisiguit, when the water is reasonably high, as there is on the Big Nipisiguit river.

I am pointing out these facts to show the reason why salmon do not always go up such rivers as the Restigouche to the spawning grounds in large quantities. This is due to local conditions, and the report referred to is sufficient proof that the department has no scientific grounds for adopting regulations to protect the salmon on their way to the spawning grounds, which will throw the fishermen of our coast out of business and cause them to lose the capital they have invested.

I could go on giving reasons why these regulations should not continue, but let me show the scope of the inquiry by these professors into conditions on the Miramichi and the Restigouche in northern New Brunswick. They did not include the Nipisiguit, Tetagouche or Middle rivers, all good spawning grounds. Why was it these scientific men left out some of the best spawning grounds in the province of New Brunswick when they were investigating the conditions under which salmon went up those rivers? They did not make that investigation; the report does not show it. On page 9 there is a paragraph referring to the catch in the Restigouche by anglers. They say that in 1922 there was a good catch on the Restigouche river and a poor general catch; that is, a poor catch by the nets along the bay of Chaleur. That is another proof that local conditions govern entirely. Then they go on:

> In particular we note that the low years, 1919 and 1928, on the Restigouche cannot be attributed to local conditions.

Why do they say that? They give the reason:

The year 1930 established a new high record for thirty years.

Is that a good argument? Is that any proof that the conditions existing in 1922 were not due to local reasons? The very fact that in 1930 a record was set for the past thirty years seems to me directly contrary to the conclusions they have drawn. I do not want to take up too much of the time of the committee, but certainly I do wish to implore—I will go that far, and use that word—the minister to go more fully into this question. I have every confidence in his deputy in a matter of this kind, but I fear the deputy does not sufficiently grasp the local conditions along the bay of Chaleur and the rivers I have mentioned. It is an easy matter for the fishermen in a river which is land-locked, like the Miramichi—and if any fishing were allowed by nets in the Nipisiguit the same would apply—to put their nets out of commission between Saturday and Monday. There are no great storms on those land-locked rivers which would interfere with the placing of those nets out of gear, but when you take the whole shore of the bay of Chaleur on the New Brunswick side, beginning away down and following right up through Gloucester county, through Shippigan, Grande Anse, Stonehaven, Salmon Beach, Lower Beresford, Green Point, Belledune and up as far as Heron island in the county of Restigouche, the whole shore is exposed to all kinds of storms and it becomes impossible for the fishermen to observe these regulations.

I hold in my hand the last memorial sent to the minister, or at least, I think he has received it. It comes from Mr. George Chalmers of Charlo station, New Brunswick, and here is what they say:

Whereas the present salmon net fishing regulations are in some ways either impractical or absolutely impossible to perform, thus placing the fishermen in such a position that they cannot fish in a legal way without great hardship, and in some cases making it absolutely impossible to fish without infringing the regulations of the Fisheries Act, the Restigouche Net Salmon Fishing Association—

Which also extends to the county of Gloucester, which I have the honour to represent.

—unanimously resolve as follows:

1. Section 17, subsection 8(a) of the Fisheries Act at present provides for a tie-up from 8 a.m. Saturday to 8 a.m. Monday. We would like to respectfully point out that it is impractical to set a definite time for a tie-up, as it is difficult and in many cases impossible for anchored nets to be tied up at high water or when there is a strong tide running, or for the stake nets to be tied up at low water. We suggest that to enable the fishermen to comply with the law, this section should provide for a tie-up at nearest low water following 8 a.m. Saturday in the case of anchored nets and the nearest high water following 8 a.m. Saturday in the case of stake nets.

2. Section 17, subsection 8(d) providing for the method in which anchored nets shall be tied up, is impractical to follow out exactly in many cases, as for instance the case where the net is particularly deep, or when there is a strong tide running. As to having a ten-foot section removable, this is absolutely impractical, due to the amount of labour involved as this removable section would have to be laced to the rest of the net each time, otherwise the nets would not fish. We suggest that this section should read that the fishermen are to tie up as near as is possible in this manner and not that they are to tie up strictly in this manner as the act reads at present.

3. Section 17, subsection 8 (e) provides for a two day close period during the week if it is impractical to tie up on Saturday on account of weather conditions. We do not feel that this is just. Weather conditions will prevent lowering nets on Monday morning just as many times as it will prevent tie-ups on Saturday. In this way when it is impossible to lower the nets on Monday morning the tie-up will extend to three or four days and in the end these longer tie-up periods will make up for those times when it is impossible to tie-up on Saturday, thus making the average tie-up two days anyway besides, if the weather is rough enough so as to make it impossible to tie-up on Saturday, the nets are not in fishing condition. The average tie-up is going to be two days anyway, as pointed out above, without forcing the fishermen to tie-up in the middle of the week. These suggested mid-week tie-ups would work a further hardship on the fishermen in that a great many of them hire labour which would have to be paid anyway during this two day mid-week tie-up.

Section 17 subsection 8 (f) provides that all fishermen who do not adhere to the present tie-up regulations shall not be eligible for renewal of licence.

Let us take a supposititious case. I do not know of anything of the kind having happened, but an officious fishwarden might have something against a fisherman and all he would have to do would be to report a violation of a law which it was impossible to observe, with the result that the following year that fisherman would lose his licence.

As for the reasons pointed out above it is impractical and in many cases absolutely impossible to carry out certain present regulations of the Fisheries Act according to the letter of the law, it is felt that the fishermen's licence should not be placed in jeopardy due to circumstances over which they have no control, and that it would be very unjust, and we would firmly oppose retaining this section in the Fisheries Act, unless the act is modified as suggested above to enable the fishermen to comply strictly with the law.

I do not intend to trespass further on the time of the committee. I will leave the matter

in the hands of the minister and his officers, and I am sure that when they have had an opportunity to look carefully into it they will realize that there are hardships which should be met in some way. I have not seen the report submitted by Mr. Found on his return from New Brunswick, but it may be said that the fishermen were met, that matters were discussed, and that they were agreeable to certain regulations. I am sure, however, that if the effect of these regulations had been pointed out to them they would there and then have raised the objections they are now bringing forward in this memorial to which I have referred. As I say, I leave the matter in the hands of the minister, but before sitting down I wish to thank him for the attention he has already given it. I am thankful on behalf of the fishermen of my county at least for the changes that have been made in the regulations which were inaugurated last January, I believe, and I trust that now the case has been laid before him the minister will go more fully into the matter with a view to removing these hardships.

Mr. RHODES: I am grateful to the hon. member for the very fair manner in which he has presented his case. I would not for a moment attempt to pit my knowledge of fishing conditions in Gloucester against his, although I have had considerable experience in contact with the fisheries regulations. I think we start from common ground when I say to the hon. member that there never was and never will be a set of satisfactory fisheries regulations. I think we had better begin on that assumption. Our objective ought to be to secure a set of fisheries regulations designed reasonably to serve the fisheries so as to make them perpetual in character, and regulations which will impose the least hardship on those engaged in the fishing industry.

I knew full well, when it was reported to me that there should be changes in the regulations in New Brunswick, what a difficult task I was approaching, and as evidence of that I would point out that we called, after due notice, a conference in Ottawa two months ago, at which there were present the Deputy Minister of Fisheries of New Brunswick; Mr. Gibault, representing the Department of Fisheries of Quebec; our chief fisheries supervisors, and representatives of riparian associations in both Quebec and New Brunswick; and in addition we paid the expenses of nine representative fishermen who were in a position to speak for the fishermen themselves. We sat in conference all day long and the matter was threshed out with the officers of the department. While I will not say that there was cordial unanimity, there was at the conclusion of the conference an actual unanimity with respect to the regulations then proposed. And to test public opinion they were promulgated. It was then that we found where the main sources of objection lay. It was following that conference, as my hon. friend will recall, that the deputy minister made the trip to New Brunswick which resulted in these revised regulations. I think my hon. friend will grant that I was keenly interested personally, apart altogether from the interest I took in the matter as Minister of Fisheries, in the conservation of this wonderful fishery. I think he will agree that I am just as interested as he is. Now, our objective is to conserve the fisheries.

Mr. VENIOT: We agree on that.

Mr. RHODES: Yes, I think we are agreed on that. And we shall have gone a long way when we have reached the point where the fishermen themselves realize that there should be no conflict between net fishing on the one hand and the angler on the other.

Mr. VENIOT: You will have to keep the angler out of the picture.

Mr. RHODES: I think it will one day be realized that the interests of the angler and of the commercial fishermen are identical.

Mr. VENIOT: They are getting nearer that point.

Mr. RHODES: One cannot exist without the other, for each has a contribution to make to the welfare of the fisheries. It was from the point of view of the welfare of the fisheries themselves that these regulations were attempted. In the first part of his remarks my hon. friend raised a very serious objection to the method of tying up nets for a space of ten feet. I may observe that this point was threshed out carefully at the conference of which I have spoken. I was an attentive listener, and the officials of the department were able to convince beyond peradventure any of those who made objection that this was a perfectly feasible method. Moreover, I was at pains to find out that in Scotland, under exactly similar conditions, for a period of over half a century they have done not only this but very much more. There they make them take up the whole leader and carry it ashore on Saturdays, bringing it back on Monday mornings, a much more onerous task.

Mr. NEILL: That is due to religious scruples.

Mr. RHODES: Whatever may be the motive behind the method, the fact remains

that physically it can be done and is there done without objection. It is the accepted method of performing this work in Scotland. My fishery advisers tell me it is a perfectly feasible method and will not work a hardship on the fishermen, and I may say to my hon. friend that, with the exception of the district which he represents, there has been very little complaint. I am just as anxious as my hon. friend is to see that no injustice shall be done to the actual commercial fisherman. Not only do I propose to inquire carefully into this matter in conjunction with the officials of my department, but it is my intention to investigate on the ground this summer if I am spared. It is my purpose to visit every one of these districts and make myself acquainted with the exact situation and the difficulties existing. When that is done I can assure my hon. friend that if I am of the opinion that these regulations are working a hardship, I will not hesitate to revise them. We must keep in mind, however, the welfare of the fisheries, and we must have regulations designed to conserve them in perpetuity.

My hon. friend spoke of the reports of Messrs. Calderwood, Belding and Phelps. He did not make it clear to the committee, and perhaps I should do it, that these reports were not departmental reports. Mr. Calderwood, as perhaps most of the members of the committee know, was for many years in charge of the salmon fisheries in Scotland and is regarded as the best informed man in Scotland as to the Atlantic salmon fisheries. These men were engaged by the riparian association, at their own cost.

Mr. VENIOT: That makes my argument all the stronger.

Mr. RHODES: My hon. friend must bear in mind the fact that they did not come here to attempt to tell the department what ought to be done; I am happy to say they cooperated most cordially and sympathetically with the officials of the department and of the Biological Board. The result was that they were able to pool their knowledge, and while it by no means follows that as the result of one year's experience they acquired sufficient knowledge to be able to say the last word, as it were, with respect to the salmon fisheries in New Brunswick, they made a very good start and they propose to carry on their work during the coming year in conjunction with the officials of the Fisheries department and of the Biological Board. My hon. friend referred to the fact that they conducted their investigation only in the Restigouche river and on the Miramichi.

[Mr. Rhodes.]

Mr. VENIOT: And out in the bay.

Mr. RHODES: One must walk, however, before he runs, and it does not follow that because the work was started that is going to be the end of it. It is the purpose of the department to carry on this work in all the rivers of New Brunswick, and what was done was only a start. It is with some diffidence that I point out to my hon. friend, who is on the ground and has been in contact with this industry for many years, that the regulations which prevailed for a number of years with respect to the tying up of nets—they will be found on page 8 of the fishing regulations of the province of New Brunswick—are pretty stringent, and if carried out would have been far more onerous than the regulations as laid down for this year.

Mr. VENIOT: Oh, no.

Mr. RHODES: We must hope to agree to disagree in that respect.

Mr. VENIOT: I have had personal experience.

Mr. RHODES: In the report of Mr. Calderwood there are photographs showing the difference in the lifting of nets in one area as compared with another. I will not name these different areas, for reasons which will be obvious; but the fact is that the regulations have not been respected in certain places and it was our desire to get a form of regulation which would be general in application and respected all around.

Mr. VENIOT: I admitted that in my remarks.

Mr. RHODES: I do not propose to enter into a discussion with my hon. friend as to whether or not certain fisheries are being depleted, but as a matter of fact the records show that the catch in that very area has been diminishing very materially. If my hon. friend will look at the fishing statistics for 1929 he will find the following figures showing the catches made in New Brunswick:

	Hundredweight
1925	30,073
1926	25,131
1927	22,464
1928	12,557
1929	18,308

There was a slight jump upwards for the last year.

Mr. VENIOT: That is the number of fish?

Mr. RHODES: I am speaking of hundredweights of salmon caught in the province of New Brunswick.

Mr. VENIOT: That does not agree with the information upon which these scientific men have based their report.

Mr. RHODES: I will come back to that scientific report in a moment. I have quoted the figures for 1925 to 1929 inclusive, but the report which my hon. friend has before him is for the year 1930.

Mr. VENIOT: The other years are shown as well.

Mr. RHODES: My hon. friend mentioned the diminution in the fisheries. The records show that there has been a very marked diminution in the Restigouche area. I was amazed to find that the fisheries in the Restigouche area had diminished by almost 70 per cent up to the year 1925, and I felt that this called for very careful investigation. I have fished this river myself on different occasions, and I hope to be spared to fish it again in the future.

Mr. HANSON (Skeena): What part of this item is to be spent in British Columbia?

Mr. RHODES: Does the hon. member mean the item in question?

Mr. HANSON (Skeena): Yes.

Mr. RHODES: Part of the item would apply to British Columbia, but not the regulation under discussion.

Mr. HANSON (Skeena): What portion of the item is to be expended in British Columbia?

Mr. RHODES: Would my hon. friend defer his question until I have concluded my reply to the hon. member for Gloucester?

Mr. VENIOT: Will the hon. minister please give me those figures again?

Mr. RHODES: They will be found on page 31 of the fisheries statistics. My hon. friend can obtain that publication from the distribution office.

Mr. VENIOT: Was it the number of salmon caught each year?

Mr. RHODES: No, the figures are given in hundredweights; they have no reference to the number of fish.

With regard to the regulations regarding drifters, these were not imposed as a result of the Calderwood or the Belding and Phelps investigation; they were designed solely with a view to providing proper methods of conservation. Anyone who has the welfare of the salmon industry at heart must pause and think when he considers the rapid increase in the number of drifters in that area during the last few years. In 1925 we had only 52 drifters in that area, but the number increased year by year until 1930, when it reached 170, an increase of over 200 per cent. I have not questioned the estimate contained in the report of Messrs. Belding and Phelps that 142,000 salmon were caught in that area last year; as a matter of fact that estimate was referred to in the conference. Among those who were present at the conference was Mr. Loggie, a son of a gentleman who for a number of years occupied a seat in this house. He is a commercial fisherman and he never questioned the figures. The total may not mean much to our hon. friends from British Columbia who are accustomed to number salmon in the millions, but when one realizes that 142,000 sport fish were caught it causes one to ponder, having regard to the fact that the total catch in the Restigouche river in the best year amounted to something less than 2,000, and in some years has dropped to below 1,000. I am speaking from memory, but I believe I am correct when I say this: The scientific investigation of several hundreds of these fish showed that they were in precisely the same condition as were the fish taken in the river. They were all spawning fish and were heading far up the rivers to spawn.

Mr. VENIOT: The figures that the minister has given cannot include the amount of salmon caught by the net fishermen and the drift net fishermen, because they certainly do not agree with the report.

Mr. RHODES: I shall be glad to examine that report afterwards in the light of these figures. I do not know that that is so material especially in view of what I am saying in respect to the alarming increase in the salmon drift netting. I say this on my own responsibility as head of the Department of Fisheries, that instructions were issued that no more drift net licences were to be granted in that area until we were able to demonstrate that the fisheries there could stand the toll that is being taken at the present time. It is true that has been varied only in one respect. It was pointed out subsequently that some seventeen men, not knowing this regulation was put into force, in good faith and anticipating that as a matter of ordinary routine they could secure drifters' licences, had proceeded in the course of the winter to build boats, to equip them, to purchase nets and to go to considerable expense. In the light of those facts, as a matter of grace, it was decided to enlarge the number of drift netters by adding 17 to the 170, but with the understanding that as and when those drift licences fell in, they

would be reduced to the point where, after careful inquiry and scientific investigation, it was demonstrated to us that we could not safely go beyond a given point in taking toll of the fish by that method. The hon. member for Gloucester tried to view those regulations in the light of an officious fish warden. We all know there are men of that description.

Mr. VENIOT: They are generally pretty good.

Mr. RHODES: Yes; but, as my hon. friend knows, there is the exception. You find a man who has not good judgment; his breakfast has perhaps not agreed with him; he starts the day wrong, and he gets into trouble with some of the fishermen. But I think it is not fair to view regulations in the light of their application by a man of that type. We must assume that regulations are being enforced by reasonable men animated in the main by proper motives.

I think I have covered fairly completely the several objections raised by the hon. member for Gloucester, and I shall conclude so far as he is concerned by saying this: He may rest assured I shall be at pains personally to inquire into this matter to the full, the idea in mind being solely to conserve this great industry so that it may be of enhanced benefit to the very people for whom he is speaking to-night.

Mr. VENIOT: I like the kind way in which the minister has taken the remarks I have made. They were made not by way of captious criticism but rather in order to bring to the attention of the minister a matter of great importance to the people of New Brunswick. He has promised that he will visit these areas. I am pleased to hear that. When he comes to Gloucester county, if I am at home I shall be glad to do anything I can to bring him into touch with the fishermen, and also to provide him with a good day's salmon fishing on the Nipisguit river.

Mr. RHODES: If I may interrupt, the invitation is accepted here and now.

Mr. VENIOT: But when he does come to northern New Brunswick I would suggest that he do not be convinced by the arguments of the lawyers representing the anglers of Gloucester county. In northern New Brunswick and in the province of Quebec there are certain gentlemen who receive fees for looking after the interests of the anglers, and those gentlemen, as lawyers earning their fees, have to do the best they can. There are other lawyers who represent the shore fishermen, and from the knowledge some of them have of the hardships that the shore fishermen have to endure, they are in many cases acting for the shore fishermen without fee, while the others that I mentioned receive big fees from large organizations. The delegation that came to Ottawa in January or February included lawyers representing fish pool holders or riparian owners who have fishing rights on some of our rivers. There were also some representatives of the net fishermen. When I went home later on at Easter I met some of the representatives of the net fishermen. This was after the regulations had been promulgated, and they told me that if they had had any idea that the interview which they had at Ottawa would have resulted in these regulations, they would never have come to this city; that they certainly misunderstood what was going on. This is why they are now objecting so strenuously.

May I point this out in order that the minister may have the fact in mind; he has reported as to the number of hundredweight of salmon caught in New Brunswick in certain years. I think he gave the figures down to 1927 or 1928.

Mr. RHODES: 1929.

Mr. VENIOT: I did not catch the quantity for 1929.

Mr. RHODES: 18,308 hundredweight.

Mr. VENIOT: The salmon caught by the drifters in 1929 is given in the report as 5,790 hundredweight. The amount caught in 1930 is given as 17,012 hundredweight. I am now quoting from the report of Mr. Theeps, on which he based his recommendations, not to the department, as I now find out, but to those who had engaged him to come and look into the matter in their interests, namely, the anglers. They engaged these gentlemen and got them to visit New Brunswick, go over the Baie des Chaleurs salmon fisheries and make this report. Notwithstanding the fact that they were engaged by the anglers, there is only one paragraph in the report in which they say that salmon caught and opened were salmon in the same condition of productivity as salmon caught and opened on the rivers. They attempted tagging, but that did not succeed in convincing them. After all, this report is based on estimates so far as quantity is concerned; it is not based on facts, bearing upon the habits of the salmon. Those gentlemen cannot teach the fishermen of northern New Brunswick anything about the habits of salmon. The fishermen have

been brought up in that locality and they know the habits of the salmon better than those gentlemen do. When those gentlemen are sent by an organization such as the anglers to make a report on the conditions they find; when the report is not definite and does not bear out the contention of the anglers then I say there is all the more reason for the department to hesitate to put such strict and impracticable regulations into force. I am glad the minister stated that he will personally look into the matter and visit the districts affected.

Mr. RHODES: In citing the figures contained in the report of Messrs. Belding and Phelps, my hon. friend unwittingly compared things which are not equal at all. For example the figures I cited were hundredweights.

Mr. VENIOT: Yes, that is what I said.

Mr. RHODES: No, the figures I cited referred to hundredweights of salmon caught in the whole province of New Brunswick, whereas the figures cited by my hon. friend from the report of Messrs. Belding and Phelps referred to pounds.

Mr. VENIOT: I changed the pounds into hundredweights.

Mr. RHODES: There is no comparison at all, Mr. Chairman. The figures cited by my hon. friend from the report of Messrs. Belding and Phelps concerns the salmon fisheries of the whole province of New Brunswick.

Mr. VENIOT: I converted pounds into hundredweights and my argument went to show that either that report of hundredweights is not correct or the statistical report of the department is not correct. I am prepared to accept the statistical report of the department.

Mr. RHODES: This is not a statistical report of the department; it is a report as furnished to the bureau of statistics. Either I will have to have a new system of arithmetic or my hon. friend has a system I do not understand, because my statement still holds good with respect to these comparative figures.

I did not take exception to the remarks of my hon. friend regarding the lawyers who came here. While I have no great sympathy for lawyers, yet I was one once myself and perhaps I should be inclined to treat them more generously than would my hon. friend. I will say however that out of a deputation of thirty only two were lawyers, and only one of them spoke. He did not speak from the viewpoint of clients, or any particular person. On the contrary I thought he made a very broad and conciliatory speech. I think my hon. friend will accept the statement that there is really no point of conflict between the welfare of the angler and that of the commercial fishermen.

Mr. DUFF: The commercial fishermen should come first.

Mr. RHODES: I will say to my hon. friend from Antigonish-Guysborough that the respective positions of anglers and commercial fishermen remind me of the old problem of which comes first, the hen or the egg.

Mr. DUFF: No; the commercial fishermen are earning their living by fishing, whereas the anglers are having a good time.

Mr. RHODES: On the other hand, the anglers are making a real contribution so far as conservation is concerned. The number of fish they take is negligible compared to the number taken by the commercial fishermen. I do not complain, of course, because the fishermen have a right to engage in their business. I say however that the interests of anglers and fishermen are identical inasmuch as they both want to build up and conserve a permanent industry. I assure my hon. friend that there is nothing in his suspicion that the voice of the high paid lawyer was heard to the exclusion of the voices of the fishermen themselves. By no means do I wish to contend that the regulations are ideal or thoroughly satisfactory, but I can assure my hon. friend that they were designed just as much in the interests of the commercial fishermen as any other body of men or group of individuals.

Mr. McLURE: Under this item I wish to direct the attention of the committee and the Minister of Fisheries to an item which probably does not deal directly with salmon. The matter to which I shall refer is one which has been brought to the attention of two and probably three ministers of fisheries in the last few years. While in some cases the ministers have given their decided opinions in the matter, yet the parties who have been injured have not had their claims satisfied. I refer to the subsidized fishing steamer, Amla. The owners of this particular fishing steamer had a contract made in the year 1929, and under their contract they interviewed the fishermen of Prince Edward Island. We find that the contract was not carried out in detail and that the people who were injured were

the crew of the subsidized steamer Amla. I shall read the memorandum of agreement:

Memorandum of Agreement in duplicate made and entered into on the fourteenth day of May in the year nineteen hundred and twenty-nine between His Majesty, King George V, represented herein by the Honourable P. J. Arthur Cardin, Minister of Marine and Fisheries, of the Dominion of Canada, hereinafter referred to as the minister or the party of the first part, and the International Fresh Fish Corporation Limited, Georgetown, Prince Edward Island, owner of the boat "Amla", hereinafter referred to as the party of the second part;

Witnesseth that for and in consideration of the covenants, agreements and stipulations herein contained on the part of His Majesty, the party of the second part, themselves, their successors and assigns do hereby covenant and agree to and with His Majesty, his heirs and successors in the manner and to the effect following, viz:

To provide and operate at their own cost the steamer "Amla" for collecting and transporting fish.

The "Amla" shall operate as above indicated along that portion of the north coast of Prince Edward Island from Alberton to Souris or Georgetown, making at least three trips per week, and calling at the different fishing points in order to collect and purchase the catch from the fishermen and bring the same to Souris or Georgetown, where the fish can be shipped by rail in special refrigeration cars.

The "Amla" shall be equipped with refrigerating compartments and have on board a special fish instructor and inspector to instruct and guide the fishermen.

The party of the second part guarantees to the fishermen a price of at least one cent per pound for fish as it comes from the water and 2½c. per pound for lightly salted fish.

Payment for fish purchased from the fishermen shall be made by the party of the second part on a basis of at least once in every two weeks.

The party of the second part agrees to submit to the minister or the party of the first part a certified cheque on a chartered bank in the Dominion of Canada or other security satisfactory to the minister for the amount of five thousand dollars to be held as a guarantee for the faithful performance of this contract and that the fishermen shall receive payment as indicated above for the fish purchased from them and also to protect the fishermen against loss should the party of the second part fail to fulfil its obligations, which certified cheque or other security shall be forfeited, as well as any moneys due under this agreement should the party of the second part fail to carry out any of the terms of this contract.

The party of the second part agrees to transport fish and other products for other producers and to facilitate the collection and shipments of potatoes and similar farm produce during the fall to the nearest railroad station, it being distinctly understood that the transportation and collection of fish must at all times be given preference.

The party of the second part shall maintain a sufficient crew on the "Amla" to properly operate the boat and handle the fish with proper expedition.

[Mr. McLure.]

The "Amla" is to be properly insured against loss, and it is a condition of this agreement that the party of the first part assumes no liability for damage to the "Amla" by act of God, fire, reasonable wear and tear and all and every other dangers and accidents of the seas, rivers and navigation of whatever nature and kind soever, provided that if the said boat be totally lost or damaged to such an extent as to justify abandonment thereof as for a constructive loss, this agreement shall thereupon be deemed to have expired and the party of the first part shall be subject to no further liability thereunder.

This agreement shall be effective from the first day of June, nineteen hundred and twenty-nine, to the thirty-first day of December, nineteen hundred and twenty-nine, or for such length of time as may be determined by the minister or the Party of the first part, in consideration whereof His Majesty represented herein by the minister as aforesaid agrees to pay to the party of the second part a subsidy at the rate of one thousand eight hundred dollars per month of lawful money of the Dominion of Canada, it being understood and agreed that, in the event of any trip or trips, or a portion of any trip or trips being missed owing to it being impossible to perform the same on account of weather or ice conditions, upon satisfactory evidence to that effect being furnished to the minister, he may direct that no deduction shall be made from the subsidy otherwise payable for the trip or trips so missed. But in the event of a trip or trips being missed through accident to machinery or the vessel, a deduction shall then be made from the subsidy provided in this agreement, said deduction to be made on a pro rata basis, the number of days so missed to be taken as fractions of the month.

Where the context allows, the expression "minister" shall include the Deputy Minister of Fisheries and the successors in office for the time being of the minister or such deputy.

In witness whereof the party of the first part, the minister as representing His Majesty as aforesaid, and the party of the second part have hereunto signed their names and set their seals.

Done this fourteenth day of May in the year of Our Lord, nineteen hundred and twenty-nine.

Signed and sealed by the minister in the presence of:

F. J. Petry.

Wm. A. Found,
Deputy Minister of Fisheries.

Signed and sealed by the said party of the second part in the presence of

I. A. Ryan.

O. W. Nordin,
President.
International Fresh Fish Corporation Ltd.,
Owner.

I read this memorandum of agreement to show that the boat Amla was subsidized to develop the fishing on Prince Edward Island, to take care of the catch and to help in the marketing of it.

Afterwards O. W. Nordin came to Prince Edward Island and interviewed several fishermen, farmers and others, told them of the

agreement and then produced it. On the strength of the agreement he succeeded in shipping his crew, and it is on behalf of those men that I am placing this matter before the hon. Minister of Fisheries. Nordin hired the crew on the 23rd of April. The following are particulars of the crew, their length of service, and the wages owing to them:

W. P. Burke, captain
Charlottetown—
5 months wages at $150.. .. .. ..$750
4 months board at $25.. 100
(April 23rd to Sept. 23rd) ——$850

L. Winchester, engineer
Charlottetown—
5 months wages at $150.. .. .. ..$750
4 months board at $25.. 100
(April 23rd to Sept. 23rd) ——$850

John Skerry, cook
Alberton—
5 months wages at $80.. .. .. ..$400
4 months board at $25.. 100
——$500

Peter Parrington, mate
Lower Montague—
4 months wages at $65.. .. .. ..$260
3 months board at $25.. 75
——$335

Daniel Jarvis, seaman
North Rustico—
4 months wages at $60.. .. .. ..$240
3 months board at $25.. 75
——$315

Lorne Flood, seaman
Southport—
2 months wages at $60.. .. .. ..$120
1 month board at $25.. 25
——$145

James McCabe, fireman
Charlottetown—
2 months wages at $80.. .. .. ..$160
1 month board at $25.. 25
——$185

Edward Smith, fireman
Charlottetown—
2 months wages at $80.. .. .. ..$160
1 month board at $25.. 25
——$185

These are the claims totalling $3,365, by the men against the ship and against the owner personally or under his firm name of the International Fresh Fish Corporation, Limited. After the crew had worked for a month naturally they asked for their wages. Mr. Nordin told them that the government had not yet sent his subsidy, but in a few days he would receive it and they would be paid their wages. Time went on without the men receiving anything and they became anxious, and finally, through their solicitor, they appealed to the courts and had the ship seized. She was sold in September, but the price realized was only sufficient to pay the legal expenses and some minor repairs. Thus after five months' service the crew were left without any recompense. As soon as this was known several people became interested in their plight. Delegations were sent to different quarters, and I am advised that a delegation interviewed the government here. However, there was a letter sent by the members of the crew to the Minister of Fisheries, stating what they were up against and the loss they had sustained. I want to read this memorandum to the minister, which is dated Charlottetown, December 6, 1929, and addressed to Hon. P. J. Cardin, Minister of Marine and Fisheries, and also to members representing Prince Edward Island. It reads:

Honourable and dear sirs:

Mr. O. W. Nordin, president of the International Fish Corporation, came here and stated that he had a contract with the Department of Fisheries and was being allowed $1,800 a month as a subsidy. On the 23rd of April we went to work on the steamer Amla (Ex. C. G. S. Brant) to get her ready to fulfil the contract. On the latter part of May we tried to get some wages, but although Mr. Nordin promised several times to pay us, we got nothing.

We are informed by several persons, and on good authority, that the company was not solvent and that we had better look out for our wages. On June 8th we applied to the admiralty court for a settlement, and after waiting until September 10th, the steamer was offered by sheriff's sale but did not sell. On or about the 23rd of September she was sold by private sale, but up to the present time we have not received our wages.

It is now nearly eight months since we started work and we have practically lost a season's employment through the International Fresh Fish Corporation's failure to carry out their contract.

We are enclosing a statement of wages—

That is the statement I have already read.

—which will show that some of the crew were compelled to leave without any remuneration whatever before the steamer was sold.

As the International Fresh Fish Corporation had submitted bonds for the faithful performance of the contract, which they failed to fulfil, we respectfully request that these bonds be estreated to such an amount as will satisfy our claim for wages.

Trusting to have your favourable consideration as soon as possible, we remain your most humble and obedient servants,

(Signed) W. P. Burke, master
Lemuel Winchester, engineer
John Skerry, cook
Peter Parrington, mate
Daniel Jarvis, seaman
Lorne Flood, seaman
James McCabe, fireman
Edward Smith, fireman.

To supplement this letter a large petition was circulated throughout Prince Edward Island, and I should like to read part of it to show how it supports the letter written by the crew. It is addressed to Hon. P. J. Cardin, Minister of Marine and Fisheries, at Ottawa, and also to members representing Prince Edward Island, and reads as follows:

We, the public and supporters of the Liberal party in the province of Prince Edward Island,

are conversant with the facts as contained in the enclosed letter from the crew of the S. S. Amla, ex C. G. S. Brant, and we consider their request only fair and just before our members, to be paid their wages from these bonds.

We understand that Mr. Nordin was president of the International Fresh Fish Corporation, and further that this company had a contract with the Department of Fisheries and was granted a subsidy of $1,800 (eighteen hundred dollars) per month, which induced the crew to hire with the above company, and also induced the merchants of Charlottetown, to supply her with fittings, to prepare the ship for her work. We are also informed that the company gave bonds, for the faithful performance of the contract, which among other things were to protect the fishermen.

The company never functioned, and we ask you in the name of our king and country, that these bonds should be used, or as much of them as possible, toward paying those poor men.

We would respectfully request you to give this petition your most favourable consideration, so that the crew, who have completely lost their summer, through the failure of O. W. Nordin. Some of these men have served their King and country for over three years.

A labourer is worthy of his hire and their wages should be paid.

I have a copy of this petition but I will not read the signatures, since it is signed by over three hundred people throughout Prince Edward Island. In addition, there were numerous other letters and telegrams sent to members of parliament; the crew of the Amla were led to believe that they would be paid, but so far that has not been done. An election was approaching; the letters became very numerous and very promising, and I want to read some of the letters received by members of the crew. By doing so I will show that some assurance must have been given by the Minister of Fisheries that the crew would be paid. A short time ago I noticed that the hon. member for Prince was very anxious that agreements with the government should be lived up to. Here we have an agreement with the members of the crew of the Amla, but as yet they have not been paid. On May 9, 1930, the hon. member for Prince wrote Captain Burke as follows:

Dear Captain Burke:

I received the information to-day from the Minister of Marine and Fisheries that he will endeavour to arrange to have your claims adjusted, and I suppose he will have to put this in the supplementary estimates, and until those are through it would not be safe to give out any information.

However, I thought it well to let you know that the minister's intentions are good and that he will do his best on your behalf.

Yours truly,

A. E. MacLean.

You will note that according to this letter no information was to be divulged at that time.

[Mr. McLure.]

Mr. AHEARN: Pardon me, but was the letter marked personal?

Mr. McLURE: No, it was not. As election day drew near, another letter was written, under the date of May 12, 1930, this time to the engineer of the boat. This letter reads:

Ottawa, May 12th, 1930.

Mr. Lemuel Winchester,
Charlottetown, P.E.I.

Dear Mr. Winchester:

I received your letter and may say in reply, that the minister has given me the assurance that it will be attended to and that provision will be made for same in the estimates.

I trust that things will work out satisfactorily and that all the men employed on the boat will be paid.

Yours truly,

A. E. MacLean.

I wish to place on record another letter to show that these men on the Amla were being assured from time to time by the members from Prince Edward Island that they were going to be paid the wages due them. Here is a letter of July 5, 1930.

Summerside, P.E.I., July 5th, 1930.

Mr. F. Skerry,
c/o Howard Clark,
Alberton, P.E.I.

Dear Mr. Skerry:

Regarding pay for the work Amla, may say that I have received a letter stating the minister had issued instructions to have cheques issued.

If you do not receive yours in the course of a day or so, kindly let me know, and I will again take the matter up.

Yours truly,

A. E. MacLean.

That was just prior to the election and would therefore be a nice letter for the crew to receive.

Mr. MacLEAN: Why pick out A. E. MacLean's? Read the others.

Mr. McLURE: If the hon. member will wait I will read some more of his.

An hon. MEMBER: Read them all.

Mr. McLURE: It would take a couple of days to read them all.

Mr. MacLEAN: We support every one of them.

Mr. McLURE: If the hon. member for Prince does not wish to take credit for all the letters, I will give him a rest and read others which may back up his own statement that the crew should be paid, that they were promised to be paid, and that, as the writer says, he had the assurance of the minister that the cheques were issued and was told that if the men did not get their cheques

the crew should notify the hon. member and he would see the matter was attended to.

Mr. MacLEAN: I did not say they were issued.

Mr. McLURE: Here is another letter of May 24, 1930:

Ottawa, May 24th, 1930.

Mr. Lemuel Winchester,
Charlottetown,
Prince Edward Island.

Dear Mr. Winchester:

I acknowledge your letter of May 22nd and can only repeat what I said before, that this claim would be paid.

The Justice department has now given a decision that the bond which Nordin furnished can be collected on and they are now going after the guarantee company, but apart from all that, even if it is not collectible, the amount will be paid. Our friends must understand, however, that a vote must be put through the house, otherwise the Auditor General will not certify it with the accounts.

Yours sincerely,
R. H. Jenkins.

That letter was from another member of parliament at that time. Here is another letter dated May 30, 1930:

Ottawa, May 30, 1930.

Captain W. P. Burke,
148 Elm Avenue,
Charlottetown,
Prince Edward Island.

Dear Captain Burke:

I beg to acknowledge your letter of May 27th and there is no doubt whatever your claim will be paid. It is fully expected that the government will be able to collect on the bond, but whether they do or not it will be treated in a compassionate way and the minister informed me that it will be paid.

Yours sincerely,
R. H. Jenkins.

Progress reported.

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

Tuesday, June 2, 1931

The house met at three o'clock.

REPORTS OF COMMITTEES

MISCELLANEOUS PRIVATE BILLS

Second report of select standing committee on miscellaneous private bills.—Mr. Stinson.

COPYRIGHT ACT AMENDMENT

Hon. C. H. CAHAN (Secretary of State) presented the second report of the special committee appointed to consider and report on Bill No. 4, to amend the Copyright Act.

Mr. Cahan moved that the report be concurred in.

Mr. HANSON (York-Sunbury): I did not understand that there was to be a motion today for concurrence in the report of the committee charged with investigation into the Copyright Act. There are some provisions which hon. members ought to have the opportunity to study.

Mr. CAHAN: Concurrence in the report simply provides for printing so that it may be distributed to hon. members. There will be ample opportunity for discussion.

Motion agreed to.

STANDING ORDERS

Mr. A. U. G. BURY (East Edmonton) presented the third report of the select standing committee on standing orders.

Mr. Bury moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

ADJOURNMENT IN HONOUR OF THE KING'S BIRTHDAY

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I understand arrangement has been made among the different parties of the house that owing to the fact that to-morrow is the anniversary of the King's birthday, there should be no sitting of this house. I therefore move, with the consent of the house:

That when this house adjourns this day it stand adjourned until Thursday next at three p.m.

Motion agreed to.

BIOLOGICAL BOARD ACT

Hon. E. N. RHODES (Minister of Fisheries) moved for leave to introduce Bill No. 78, to repeal the Biological Board Act.

Some hon. MEMBERS: Explain.

Mr. RHODES: Mr. Speaker, it is proposed to reorganize the work of the board by placing directly under the control of the department and the minister, the executive and administrative work which hitherto has been conducted by the board, thereby leaving to the technical officers more complete freedom and time to attend to the purely technical questions the consideration of which constitutes the main function of the board. The introduction of this bill is the first step towards the work of reorganization.

Mr. DUFF: I understand that the present bill provides for the repeal of the old act; will a new act be introduced?

Mr. RHODES: Yes; as discussion on the bill proceeds our intentions will be disclosed.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

AUTHORITY TO ISSUE SECURITIES FOR $68,500,000 TO MEET EXPENDITURES AND INDEBTEDNESS IN 1931

Hon. R. J. MANION (Minister of Railways and Canals) moved for leave to introduce Bill No. 79, respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1931.

He said: This bill, Mr. Speaker, is to authorize the Canadian National Railways to issue securities to cover $68,500,000 being the amount of the estimate of the railways' deficiency in their needs above their earnings for 1931; really the estimates of the Canadian National Railways.

Motion agreed to and bill read the first time.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 68 for the relief of Ruth Rosenberg—Mr. Bell (St. Antoine).

TARIFF SCHEDULES

PRINTING OF PAST, PRESENT AND PROPOSED RATES FOR PURPOSES OF COMPARISON

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, it was understood that at this session opportunity would be given to discuss changes in the tariff that were made at the last special session. Hon. members will recall that at the time there was not opportunity to discuss the changes. Yesterday I asked the Prime Minister (Mr. Bennett) if it would be possible to have the tariff changes proposed yesterday printed in a manner which would enable us to make comparisons with the original tariff. I should like to enlarge that request, if I might, and ask if we could have, in a form which would permit of comparison, the tariff as it was before the special session of 1930, with the changes of the special session indicated in a parallel column, and the proposed changes of this session in another parallel column. That would place before us in their entirety the changes which the present administration are making in the tariff. I believe it would expedite discussion in committee to have particulars in this form and it seems to me to be a reasonable request. I would suggest that the information be brought down in the form of a blue book specially prepared, which would be available to all hon. members and to others desiring like information.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I will draw the attention of the Prime Minister to the suggestion of my right hon. friend when he returns to-morrow. I think myself the request is quite reasonable, but I will mention it to the Prime Minister.

SOCKEYE SALMON FISHERIES

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the hon. Minister of Fisheries (Mr. Rhodes) with respect to the sockeye salmon fisheries treaty which was signed last year by the government of this country. Has the treaty been signed yet by the United States government? If not, is there any likelihood that it will be?

Hon. E. N. RHODES (Minister of Fisheries): Mr. Speaker, the treaty in question has not been ratified by the Senate of the United States, nor have we had any intimation from the United States government as to whether this will be done or not. Inasmuch as we have received no notification to the contrary, we must assume that it is their purpose ultimately to ratify it. I do not know that at the moment I can give any better answer to my hon. friend.

SOLDIER SETTLEMENT ACT

Hon. W. A. GORDON (Minister of Immigration and Colonization) moved the third reading of Bill No. 41 to amend the Soldier Settlement Act.

Motion agreed to and bill read the third time and passed.

CITY OF OTTAWA AGREEMENT

PROPOSED EXTENSION FOR ONE YEAR FROM JUNE 1, 1930

Hon. H. A. STEWART (Minister of Public Works) moved that the house go into committee to consider the following proposed resolution.

That it is expedient to authorize the Minister of Public Works, on behalf of His

Majesty, to enter into an agreement with the corporation of the city of Ottawa to extend the period of the existing agreement with the corporation for one year from 1st June, 1930.

Motion agreed to and the house went into committee Mr. Hanson (York-Sunbury) in the chair.

Hon. W. L. MACKENZIE KING (Leader of the Opposition): This seems to me an appropriate moment to direct the attention of my hon. friend the Minister of Public Works to the discussion which has been taking place with respect to the rebuilding of the Ottawa city hall. If the government is taking up with the city the renewal of the agreement between the government and the city, I hope my hon. friend will keep in mind the plan of park development which in a general way has been approved by this parliament, and which is in accordance with the views of the federal district commission, as to the improvement of the city, and not permit within a certain area which has been set apart for further park development any rebuilding or extension of existing buildings. The agreement between the city and the government with respect to what is now known as Confederation park contemplated that no rebuilding would take place within the area outlined in the correspondence. Inasmuch as there appears to be a difference of view on the part of some of those concerned with civic affairs with respect to the obligation of the city in the matter, it ought to be made clear by the minister that at least the federal government expects continued co-operation between the city and itself along the lines on which the improvements already made have been undertaken.

To make clearer my meaning, I might say that the previous administration would never have consented to ask parliament for a sum of money sufficient to permit of the expropriation of the old Russell house and Russell theatre and the other buildings in that vicinity and also for the money necessary for the expropriation of the block between Wellington street, Sparks street, Elgin street and the post office, if the object had been simply that of providing a new site for a city hall within a park area. The intention was to create in the heart of the capital of Canada a large central park which would serve the city as well as the capital, because the two are indistinguishable, but which also would have its relation to the whole improvement of the capital. The government was careful in its interviews with the civic authorities at the time to point out that a scheme of the kind could only be carried out provided there was cordial cooperation between the city and the government. The city undertook to widen Elgin street, to expropriate certain buildings on that street and also to remove certain buildings in the vicinity of the city hall. Part of that undertaking has already been carried out, there are parts which have not as yet been attended to. There is in the correspondence a reference on the part of the city to a conditional approval by the citizens. This had reference to expropriations as they might be made from time to time. I understand that with respect to the widening of Elgin street a by-law was submitted which the citizens approved. I understand also that the citizens approved of the tearing down of Knox church and of the expropriation of that property by the city, so that the citizens already have given implied approval of the general scheme of which these particular expropriations form a necessary part.

Since these expropriations were made, as hon. members know, the city hall took fire and was partially destroyed, and at the moment the city fathers are considering whether they should rebuild and make extensions on the existing site or whether they should secure another location and erect elsewhere a new city hall. I hope the government will be firm in having the civic authorities understand that parliament, when it appropriated moneys for the expropriation of the properties mentioned, and the citizens when they approved of the by-laws for the widening of Elgin street and the expropriation of Knox church, had in mind the general scheme and the undertaking by the city that they would not rebuild in that area, or extend any of the buildings at the time located there, but that as these buildings came down, their sites would become available for the further development of the general park scheme already approved by this parliament and the civic authorities in office at the time the first expropriations were made.

I am sure that any agreement made by the government with the city, which will appropriately and adequately recognize the obligations of the federal government to the city, will meet with the general approval of parliament. I do not anticipate any difficulty over the agreement that may be ultimately reached. I believe, however, that it would be in accordance with the will and the wish of the people of Canada generally that the scheme which has been carefully planned and already considered by the city and by the federal district

commission should be carried out, and this would seem an appropriate moment for the minister to emphasize that point of view in any discussion with the city fathers.

Sir GEORGE PERLEY: May I ask a question? Two or three times the right hon. gentleman referred to some understanding between the previous government and the city, with regard to Confederation park and any further building in that area by the city. Would he be good enough to say whether there was any agreement or understanding between his government and the city authorities in regard to the city hall, or any other buildings which might be owned by the city in Confederation park, and if so, what was the agreement?

Mr. MACKENZIE KING: An exchange of letters took place between the government and the city authorities and the federal district commission. These communications will make quite clear what the understanding was. I have not the communications with me at the moment, but I will be glad to have them placed on the table of the house, and I know the government have copies of them. The whole purpose and understanding is made perfectly clear in those communications. There can be no doubt that the government of the day would not have asked parliament to vote sums of money for the expropriation of that particular area, the old Russell house, the Russell theatre, and the other buildings, spending two or three million dollars on those improvements, if it had not been distinctly agreed by the city that they would cooperate in the large scheme of making a central park.

Sir GEORGE PERLEY: Distinctly agreed in writing?

Mr. MACKENZIE KING: Yes, the communications were in writing. They set forth what was agreed to in the several interviews between the government, the federal district commission and the city. There is one phrase in the correspondence which, I understand, has given rise at the moment to some comment. It is to the effect that the city will cooperate to the extent to which the taxpayers approve, or something of the kind. Naturally they must have the approval of the taxpayers in whatever they may do. The intention or meaning of that phrase, however, was not that the scheme as a whole should be presented to the taxpayers of Ottawa to be approved by them; it was that as particular by-laws were necessitated under the city's method of procedure, those by-laws would be submitted. Of course, if the by-laws were defeated, the city would find it impossible to proceed, but as I have said, they did submit a by-law having regard to the widening of Elgin street, and a further by-law, I think it was, it may have been one and the same, with regard to the expropriation of the Knox church property. The citizens approved of those by-laws, and at that time the citizens had the whole park scheme before them. So I think, impliedly, the citizens already have given full consent to the general scheme. The one point that was made clear at the time was that no new buildings should be permitted to go up within that area. The city itself, I believe, has to give a licence or some permission to enable any buildings to be erected.

Mr. STEWART (Leeds): A building permit.

Mr. MACKENZIE KING: Yes, and it was understood that no building permit would be given by the city within that area, and that as buildings fell into disuse their sites would become available as part of the park area. But for that undertaking the government and the city alike, would have been simply improving the properties of the very few individuals who have a bit of property in that area, giving to each of them a very special building site.

Mr. STEWART (Leeds): With regard to this resolution, I notice that an error has been made in the date. It should be for one year from July 1, 1930, instead of from June 1, 1930.

The object of this resolution is to authorize the introduction of a bill which contains special provisions with respect to matters in which both the city of Ottawa and the Dominion of Canada are represented. The agreement was entered into in the year 1920, and was approved by an act of parliament which is chapter 15 of the statutes of that year. Most of the terms of that agreement are of comparatively little interest now, but provision is made for an annual payment to the city of Ottawa as compensation for water supply for fire protection and for street sprinkling and sprinkling in parks and driveways. The amount provided in the agreement of 1920 was $75,000, which was later increased to $100,000. That agreement of 1920 was extended in 1924 for one year, and in 1925 for a period of five years, expiring on July 1, 1930. The passing of this resolution, and of the act to be based upon it, will authorize the payment to the city of Ottawa of $100,000 for the year expiring on July 1, 1931, for these

services. That is the effect of the resolution and of the bill which will be based upon it.

With respect to the suggestions made by my right hon. friend (Mr. Mackenzie King) as to the agreement between the city of Ottawa and the Dominion of Canada with regard to the park area, I wish to thank him for the information he has conveyed to me. I may say that I have studied the correspondence pretty carefully and have obtained information from every other available source that would throw light upon those negotiations. There is no formal agreement, but I think the objects and purposes are fairly and completely disclosed by the correspondence. As I interpret it, the construction or rebuilding of a city hall in that area would be a violation of the spirit, and I think of the letter, of the correspondence. I may say that this act and this agreement have no reference whatever to that question, but I shall be pleased to study it from every standpoint and to give careful consideration to the suggestions made by my right hon. friend.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Does the minister desire to amend the resolution?

Mr. STEWART (Leeds): Yes, the date should be changed from June 1, 1930, to July 1, 1930. It is July 1 in the bill.

Mr. MANION: I beg to move the amendment.

Amendment agreed to.

Mr. ELLIOTT: Did I understand the minister to say that certain terms of the old agreement were not required in the new agreement which is being entered into? As I understand the resolution, it simply authorizes the renewal for one year of the previous agreement, and I take it that is all the bill will provide for.

Mr. STEWART (Leeds): My hon. friend is perfectly correct in that assumption. As I pointed out, it is a question of the payment for this year of $100,000.

Resolution as amended reported, read the second time and concurred in. Mr. Stewart (Leeds) thereupon moved for leave to introduce Bill No. 80, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Motion agreed to and bill read the first time.

PRISONS AND REFORMATORIES ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 72, to amend the Prisons and Reformatories Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Hanson (York-Sunbury) in the chair.

On section 1—Roman Catholic females may be sentenced to reformatory instead of prison or gaol in Nova Scotia.

Mr. GUTHRIE: Under the present law, so far as it relates to Nova Scotia, a transfer from a prison to one of these Roman Catholic homes shall take place only under the direction of the provincial secretary of Nova Scotia. The new section provides that it shall in future be left to a judge of the supreme court, or a judge of the county court within his jurisdiction, to make such transfer. That is the only change in regard to Nova Scotia.

Section agreed to.

On section 2—Roman Catholic females.

Mr. GUTHRIE: This section merely provides that any woman convicted in the province of New Brunswick may be sent to one of the homes of the Good Shepherd. In the former act it was only within the city and district of St. John, and they wish to have that restriction removed to make the section apply to the whole province of New Brunswick.

Mr. JACOBS: Does that mean that crime is extended from St. John to other parts of New Brunswick?

Mr. GUTHRIE: No.

Section agreed to.

On section 3—Imprisonment in the Good Shepherd reformatory.

Mr. GUTHRIE: This section is drawn to make it conform with a similar provision in the act respecting Nova Scotia. There were discrepancies between the two sections. With the enactment of this, the same provision will apply in both provinces.

Section agreed to.

Section 4 agreed to.

Bill reported, read the third time and passed.

BANKRUPTCY ACT AMENDMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 73, to amend the Bankruptcy Act.

Hon. IAN MACKENZIE (Vancouver Centre): Before this bill is read the second time, and inasmuch as it deals in certain respects with conflicting jurisdictions under provincial and dominion statutes, I would take this opportunity of referring the minister to an anomaly in section 121 of the Dominion Bankruptcy Act, dealing with the rights of wage-earners under that statute. Section 121 reads:

> Subject to the provisions of section one hundred and twenty-six as to rent, in the distribution of the property of the bankrupt or authorized assignor, there shall be paid, in the following order of priority:—
>
> First, the costs and expenses of the custodian and the fees and expenses of the trustee;
>
> Secondly, the costs of the garnisheeing, attaching, execution or judgment creditor (including sheriff's fees and disbursements) coming within the provisions of subsection one of section twenty-five and subsection three of section twenty-nine;
>
> Thirdly—

This is the point I want to emphasize:

> Thirdly, all wages, salaries, commissions or compensation of any clerk, servant, travelling salesman, labourer or workman in respect of services rendered to the bankrupt or assignor during three months before the date of the receiving order or assignment and all indebtedness of the bankrupt or authorized assignor under any Workmen's Compensation Act;

I would refer the minister to section 125 of the act and suggest that he read it in conjunction with the foregoing. This section reads:

> Nothing in the four last preceding sections shall interfere with the collection of any taxes, rates or assessments payable by or levied or imposed upon the debtor or upon any property of the debtor under any law of the dominion, or of the province wherein such property is situate, or in which the debtor resides, nor prejudice or affect any lien or charge in respect of such property created by any such laws.

And now I should like to direct the minister's attention to one of the provisions of the British Columbia Workmen's Compensation Act, which is similar to other compensation acts in the different provinces. Section 46 of the Workmen's Compensation Act of British Columbia, which is similar to practically all of the acts of the different provinces, makes the claim for rates, dues, assessments, and so on, a claim the payment of which is in priority to everything excepting a workman's lien for wages.

Section 143 of the British Columbia Companies Act provides that for three months prior to a seizure wages shall come before a bondholder's claim. There are innumerable instances throughout the statutes where this principle of three months' priority is established, and in this connection I would refer particularly to section 72 of the Dominion Winding Up Act. As the Dominion Bankruptcy Act is now established, there is conflict and uncertainty with regard to wage earners. Judgments of the courts have maintained that the claims allowed by workmen's compensation boards should be paid pari passu with the claims of the wage earners, but my hon. friend will appreciate that a workman's lien is not always filed in time. The Bankruptcy Act provides that there shall be a stay of proceedings by all creditors once an assignment in bankruptcy has been made or an order declaring bankruptcy has been isued, in which event the workman must go to the court for leave to proceed and often the delay occasioned puts him out of time because the lien must be filed within thirty days of the date of the last work being done.

I suggest to the hon. minister that this is a good time to consider the advisability of amending the present sections of the Bankruptcy Act. My first suggestion is that section 121 should be amended to read as follows:

> Subject to the provisions of section 126 as to rent, in the distribution of the property of the bankrupt or the authorized assignor, there shall be paid in priority to any claim for principal or interest in respect of any mortgage, bond or debenture issue or any other claim whatsoever, all wages, salaries, commissions or compensation of any clerk, servant, travelling salesman, labourer or workman in respect of the services rendered to the bankrupt or assignor during three months immediately preceding the date of the receiving order or assignment, notwithstanding anything in this act to the contrary otherwise provided, and following the payment of the said claims for wages there shall be paid in the following order of priority:
>
> First, the costs and expenses of the custodian and the fees and expenses of the trustee;
>
> Secondly, the costs of the garnisheeing, attaching, execution or judgment creditor (including sheriff's fees and disbursements) coming within the provisions of subsection one of section twenty-five and subsection three of section twenty-nine;
>
> Thirdly, all indebtedness of the bankrupt or authorized assignor under any workmen's compensation act;
>
> Fourthly, claims resulting from injuries to employees of the insolvent debtor to which the provisions of any workmen's compensation act do not apply, but only upon moneys paid or payable to the insolvent estate by persons or companies guaranteeing the insolvent debtor against damages resulting from such injuries.

Section 125 would have to be amended accordingly, to read as follows:

> Nothing in the four last preceding sections, except the provision for the payment of three

months' wages, salary, commissions or compensation, as provided in section 121, shall interfere with the collection of any taxes, rates or assessments payable by or levied or imposed upon the debtor or upon any property of the debtor under any law of the dominion, or of the province wherein such property is situate, or in which the debtor resides, nor prejudice or affect any lien or charge in respect of such property created by any such laws.

I refer the minister to a decision in British Columbia in the matter of the Campbell River Mills Limited, in bankruptcy, which has placed the payment of the wage earners' claims behind the workmen's compensation board and behind the holders of debentures. My only motive in making these suggestions is to protect absolutely the three months' priority of wage earners, and I would appreciate if the minister would consider the adoption of the proposed amendments.

Mr. HANSON (York-Sunbury): Is it the intention of the hon. member to put the three months' wages priority ahead of everything including vested mortgage debts or bonds secured by trust deeds already vested before the wages accrued?

Mr. MACKENZIE (Vancouver): That is the intention.

Mr. HANSON (York-Sunbury): It would make it that much more difficult for business people to hire money on mortgages. To-day the salaried employees are in a preferred position, which is as it should be, but if they are put still farther ahead I think it would be going just a little bit too far. This matter should have the earnest consideration of the house before we make any such move; it should be considered with all its obligations, implications and ramifications.

Mr. S. W. JACOBS (Cartier): Mr. Speaker, the Bankruptcy Act became law, I think, in 1919, and was put through by the hon. Minister of Justice (Mr. Guthrie) when he was Solicitor General. Since that time there have been many amendments and modifications made to the act. There is scarcely an hon. member who practices law who has not at one time or another brought in some little pet amendment of his own and managed to get it through. At present we have three or four amendments of that kind before the house, and this might be an opportune time to have a general revision of the act.

There are nine provinces, each one having its own particular insolvency law. There was a very drastic revision made for the province of Quebec when Sir Lomer Gouin was Minister of Justice, the object being to bring the Bankruptcy Act in line with the Civil Code and Code of Procedure of that province. We have in the province of Quebec a bankruptcy act which differs from that of the other provinces and with which we are pretty well satisfied. We have gone along now for the last ten or eleven years and there have been many bankruptcies, in fact some of the boards of trade and other finacial institutions think there have been too many. Unfortunately I was the party who first introduced the bankruptcy bill into the house. At that time I think I had more influence with the government than I have to-day because I succeeded in placing it on the doorstep of my friend the Minister of Justice, who adopted it as his own child. Notwithstanding that, whenever a political meeting is held in the province of Quebec many of my opponents still give me credit for that act. Sometimes I am successful and at other times unsuccessful in making them believe that it was the present Minister of Justice, who happens to have the same political views as they themselves, who was responsible for the bill.

It seems to me that the minister should frown upon these amendments which come in from session to session. They are not properly studied, having in mind the general idea of the Bankruptcy Act. The British North America Act permits the federal authorities to legislate upon bankruptcy. The amendments suggested by the hon. member for Vancouver Centre (Mr. Mackenzie) are amendments which he desires to have put through particularly for his own province, but where the act is a federal act the lawyers practising in different parts of the country ought to know what the law is from the federal point of view. If we have to adopt the particular views and rules governing provincial legislation on bankruptcy, we are back to where we were before 1919. I recognize the fact that in the province of Quebec we have, so to speak, taken the bit in our teeth and incorporated in the federal law our own particular law. But, after all, the laws of the province of Quebec are radically different from those of the other provinces, and it seems to me that the English law governing bankruptcy, upon which this act is based, ought to be satisfactory to all the English-speaking provinces regardless of whether they are in the east or in the west.

I wish to suggest to the Minister of Justice that there should be a general revision of the Bankruptcy Act when everyone interested could appear before a select committee which would deal with the question, and then we

would have some scientific treatment of the whole of the Act. We ought, if I may suggest this to the Minister of Justice, to allow all these bills to amend the Bankruptcy Act at this session to remain in abeyance, appoint a committee to study the whole matter and then introduce a complete and revised bankruptcy bill which would meet with the views of at least a majority of the people in this country.

Hon. PETER HEENAN (Kenora-Rainy River): I heartily endorse the suggestion made by the hon. member for Vancouver Centre (Mr. Mackenzie). Wages should take priority over all other claims in a case of bankruptcy. When a firm goes into bankruptcy, probably the last people who know anything about the matter are the workmen in that concern. Others have their legal representatives, and they are fully apprised of what is about to take place before it actually happens. But the poor workingmen who are in the employ of that firm have no legal representative; they are working in good faith and their wages should have priority over all other claims. Will the Minister of Justice take this point into consideration?

Mr. GUTHRIE: This discussion is hardly appropriate under the proposal that is introduced by this bill. I realize, however, perhaps as well as anyone in the house, the difficulties, the diversities and I might also say some of the anomalies that are met with in the bankruptcy law in this country and its administration in the various provinces. During the short time that I have occupied the position of Minister of Justice, I have received a great many communications from judges, trustees in bankruptcy, receivers in bankruptcy, legal bodies and associations, chambers of commerce, boards of trade, credit men's associations and the like, all suggesting various changes in the Bankruptcy Act. There is a good deal of force in the suggestion made by the hon. member for Cartier (Mr. Jacobs) that the time is fast approaching, if it is not already here, when there should be something in the nature of a general revision of the act. Upon the whole, I think the public feel that the act has worked well, but there are some difficulties that will have to be smoothed out. It is rather a serious problem to undertake a law for nine provinces where there are provincial jurisdictions which, in many respects, appear to be somewhat conflicting. I have not attempted such a revision during the present session. I have tabulated all the suggestions and all the proposed amendments, and the only amendment which the government has in mind at this session is the present one as incorporated in this measure, to protect injured parties in respect of insurance in regard to motor accidents, accidents either to the person or to the property of others. I am, however, keeping before me the question of a general revision of the act, and perhaps by next session I may be in a position to introduce such a bill.

Mr. HANSON (York-Sunbury): Has the minister had any general request to abolish the law?

Mr. GUTHRIE: No, I have not.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Hanson (York-Sunbury) in the chair.

On section 1.—Proceeds of liability insurance policy on motor vehicles applied to claims against debtor.

Mr. JACOBS: Was there any request by any province for the passing of this section?

Mr. GUTHRIE: Yes, directly by the attorney general of Ontario and the judges of the supreme court. One of the judges of the court of appeals, who was appointed a commissioner to inquire into the matter of automobile insurance, largely drew the section. Then from the province of Manitoba from certain associations there, a similar request has come. I assume there must be in Manitoba some provincial law similar to that passed at the last session by the province of Ontario. I cannot at the moment recall similar requests from any other provinces, but a committee of legal men throughout Canada have been writing on the subject, and they have expressed approval of the terminology of this section.

Section agreed to.

Bill reported, read the third time and passed.

SUPPLY—TRANS-CANADA HIGHWAY

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee of supply.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, before you leave the chair for the house to go into committee of supply, I wish to discuss a matter of national importance, namely, the urgency and necessity of the construction of a trans-Canada highway. Before I proceed with my remarks, I want to make clear that although this problem is contentious in some of its angles, at least it should be kept out of the political arena for the very good reason that during the last election the question was brought up by the party now in power and the

present opposition as one of their projects, a project that has been accepted by the people of Canada as a whole. I had expected that some reference would be made to it in the budget, or that certain amounts of money would be placed in the estimates for carrying out such an undertaking, and on account of the unemployment situation, particularly in Ontario, I was very much disappointed that there was no provision for it in the estimates and no mention of it in the budget, although in the speech from the throne an allusion was made to the project and the intimation given that aid would be granted to highways.

When, in the early part of this session, I was speaking in the debate in reply to the speech from the throne I was interrupted by the hon. member for West Algoma (Mr. Simpson) and asked why last year I voted against certain resolutions dealing with the construction of the trans-Canada highway. I wish to say to the house that in northern Ontario particularly a peculiar situation exists. There is no highway commission functioning in that section of the province and any money voted by this parliament, unless specially ear-marked for special purposes, would not be used for highway construction. I am not going to criticize the provincial authorities because I believe the department which has control of the roads in northern Ontario has been doing a practical work in that section of the province. I repeat that any money voted by parliament under what is known as the Kellner resolution would never have found its way into northern Ontario for highway purposes. I make allusion to the fact that although this parliament voted millions of dollars during the 1919 session to relieve unemployment not a single dollar of the money found its way to northern Ontario. Orders were sent to the effect that not one dollar would be spent north of the Severn river. I make that statement to the house so that hon. members will fully realize the situation as it exists in the section of the country I have the honour to represent.

To make my point clearer to hon. members, may I state that in northern Ontario for the last fifteen years we have been discussing the question of the trans-Canada highway. On several occasions I acted on municipal boards, and in that capacity attended many good roads conventions. On one occasion I was sent to the city of Toronto to discuss that all-important question. The question of a trans-Canada highway was again brought forward very forcibly during the confederation anniversary year, and I believe it was a citizen from the province of Nova Scotia who wanted to call the road the Confederation highway.

Again referring to the Kellner resolution, I want to say to the house that it did not deal directly or indirectly with any moneys to be voted for the construction of the trans-Canada highway. At this time I shall refer to the words of the mover of the resolution, the then member for Athabaska (Mr. Kellner). On page 424 of Hansard, 1930, I find the following resolution moved by that gentleman:

> Whereas the need for establishment of highways is greater than in 1919;
>
> And whereas in that year the dominion government recognized its responsibility in this matter by a substantial grant, which grant is now exhausted;
>
> Therefore be it resolved, that, in the opinion of this house, the government should consider the advisability that a further substantial grant be made to cover the next five years' development of highway construction.

As I said, Mr. Speaker, there is not a single allusion, not one word concerning the allocation of moneys towards the construction of a trans-Canada highway. No matter what meaning we may wish to read into that resolution there is no expression to the effect that moneys shall be paid for the construction of such a highway. At this time I shall quote some of the statements by the mover of the resolution. He said:

> Mr. Speaker, when this resolution was introduced last year, considerable criticism was offered to the wording of it, and an amendment was introduced providing that the federal government should proceed to construct a transcontinental highway. After due consideration I have decided to leave the wording of the resolution in the same form as it was last year. It is my opinion that under that resolution federal aid could be given to the provincial governments for building roads, or a transcontinental highway could be built, whichever the house decided was more advisable.

I repeat my previous statement that there is not a single allusion to a trans-Canada highway in the Kellner resolution. The mover of the resolution proceeded to say:

> Probably the first question in connection with the resolution is whether it is good business to engage or to assist in the construction of highways in Canada.

At this time I wish to read from Hansard of March 10, 1930, page 449, a question by the then hon. member for Assiniboia (Mr. McKenzie) and the reply thereto by the hon. member for Acadia (Mr. Gardiner):

> Mr. McKenzie: Then the hon. gentleman agrees that this does mean a trans-Canada highway?

Mr. Gardiner: Certainly not; I am merely replying to what has been said. As I was saying, my hon. friend stated that he would be more favourable to a grant of money for building roads within the various provinces.

I shall now refer to the remarks of the hon. senior member for Halifax (Mr. Black) as reported at page 454 of Hansard, March 10, 1930:

In looking at this resolution I find that it is somewhat general, but following the discussion to-day it would seem that a very great deal of attention had been paid to a national highway across Canada. I think the discussion has centered largely upon that point. Probably the intention of the resolution was not so much that alone as that a grant should be given to each of the provinces.

I now wish to read to the house the remarks of the present Minister of Railways and Canals (Mr. Manion) as reported at page 435 of Hansard of the same year:

Not long ago I was with a deputation that waited on the provincial government of Ontario regarding unemployment, and the Minister of Lands and Forests stated in writing—it was published but I could not find it among my papers to-day—that the provincial government was quite willing to cooperate with this government in the building of that section of the highway extending across the gap of which we are speaking at the present moment.

I have made these quotations to support my contention that in the years 1929 and 1930 there really was no resolution dealing directly with the construction of a trans-Canada highway. I will admit that there was a resolution by the hon. member for Athabaska (Mr. Kellner) dealing with grants to provincial governments for highway construction. At the time of the Kellner resolution I made the statement to the house that if the government would implement the construction of the trans-Canada highway I would vote for the resolution. I have made the statement, however, that no matter what money is voted by this parliament, unless it is particularly ear-marked for the construction of a highway through northern Ontario, that section of the country will receive no benefit from such an expenditure.

There are three angles from which the matter of the construction of a trans-Canada highway may be discussed. First there is the federal viewpoint, then the provincial and lastly the regional. Before I proceed further with my remarks I shall recall to the attention of hon. members of the house who were present during the last parliament the attitude of the Liberal party at that time, and its attitude towards expenditures from the federal treasury for matters of national importance. During the last general election campaign the then Prime Minister, the present leader of the opposition (Mr. Mackenzie King) was asked by me personally before prorogation about the attitude of the Liberal party concerning the construction of a trans-Canada highway. He replied that realizing there were provincial complications, and that the matter of the construction of the trans-Canada highway was primarily provincial in character, on account of the intended interprovincial conference that was to be held in Ottawa during the coming fall, discussion of the problem would be left until that time. He stated that the agenda for the conference would include the discussion of the subject of highways. He meant that he was in favour of giving grants to the provinces to subsidize a work of this nature. At the present time the onus and full responsibility for the construction of the trans-Canada highway falls upon the government now in power. May I at this time quote from statements made last year by some of the sponsors of the trans-Canada highway. At this time I direct the attention of hon. members to the remarks of the present Prime Minister as they appear in Hansard at page 459:

I am wholly in accord, Mr. Speaker, with the terms of the resolution, and I believe the principles which governed in 1912 and 1919 are principles that are as applicable to-day as they were then. The conditions under which highways are being constructed bring that construction, not without but wholly within the British North America Act, so far as the dominion is concerned. My friend the minister has challenged not so much the competency of this parliament to grant moneys in any way that we may desire—

And then there was an interruption by Mr. Dunning. So hon. members will see that there was no obstacle thrown in the way by the present Prime Minister of Canada. Statements were also made to the government then in power about the financial situation and the necessity of reducing taxation and national debt. In this connection I desire to quote to the house from a speech made by the hon. member for Wetaskiwin (Mr. Irvine) on March 10, 1930, which will be found in Hansard of that year at page 468:

I would suggest also to the Prime Minister that if we cannot pay our war debts and at the same time look after the natural expansion of Canada and attend to the interests of the people, then let the war debts go. I would rather let the war debts go unpaid than let the interests of the people go unattended to. If the Prime Minister will look at the number of people who pay income tax as compared with those who do not pay, he will get an idea of who is receiving the money that we have to provide for war debts. He will find that the many are paying the few. If we are going to devote the entire revenue of Canada to the payment of war debts, and neglect the building of roads and the other undertakings that he

has mentioned, then I say it is in the interests of Canada to disregard war debts and look after the business of the people. I cannot charge the Prime Minister with creating those war debts, of course, but I believe they were unnecessary. Therefore I suggest to the Prime Minister that he use the credit of Canada in the coming years instead of permitting other people to use it, that he use directly by the power he has, and not charge interest to the people of Canada for the use of their own credit; if he will do that he can easily get enough money to build this national highway in a very short time out of what he would save in interest.

This statement was made by one of the sponsors of what we call the Kellner resolution who fully realized the financial position of the country, and the house voted unanimously for the resolution. The hon. member went as far as to say that realizing the financial situation, the house should adopt the Kellner resolution and cancel the war debt.

During the last election, as I said before, in northern Ontario as well as in most other parts of Canada, the Conservative party went before the electorate and promised that if they were returned to power they would construct the connecting link so that we might have a trans-Canada highway from coast to coast. There was no mention made of any financial or provincial objection to the proposed undertaking; none whatever. That is why I repeat my contention that the responsibility rests not only on the government but on both sides of the house, by reason of the present unemployment and the urgency of building the connecting link of a trans-Canada highway between east and west, that we should go ahead with the project, not regarding it from any provincial viewpoint, but as a great national undertaking. I want to put before the house one or two advertisements published by the Conservative party during the last election campaign. The Conservative Association of the city of Ottawa published the following advertisement:

> What Canada needs is a policy to provide jobs. A policy that will build a national highway across Canada instead of forcing motorists to use American roads to get past the great lakes, with the result that they now leave in the United States the money which they spend by the way instead of spending it for supplies in Canada, as they would do if Canada had a through road, and thus solve the unemployment situation.

I call the particular attention of hon. members to that paragraph, that the purpose of the undertaking was to relieve the unemployment situation, because I intend to show in a few moments that the unemployment situation in northern Ontario to-day is as acute, if not more acute than it was a year ago, and on that score alone I submit the house should realize its responsibility towards the people who to-day cannot find employment. By their verdict last July the people of Canada in a very distinct manner told this house that they were absolutely in favour of the construction of the trans-Canada highway. Every newspaper in my section of the country, and I believe in other sections of Canada, so interpreted the result of the election. Undoubtedly it was understood that the promise then given would be implemented. The election campaign was conducted in my section on the desirability of such a highway being constructed, and I think every candidate in northern Ontario, whether Liberal or Conservative, was in favour of the project. For instance the Northern Tribune, an independent paper, contained the following despatch:

> The national highway was definitely promised by Mr. Bennett during his campaign, and early consideration of it will undoubtedly be given, in view of its close relation to the problem of unemployment which loomed so large in the campaign.

There was also a press despatch sent from Ottawa on September 11 by Arthur E. Moysey and Company, private wire, which I quote from the Porcupine Advance published in the town of Timmins. I do not know where the sender of the wire received his information, but it is very definite. This is the despatch:

> Work within three weeks for between 25,000 and 30,000 unemployed and sustenance for twice that many dependents will be provided, Premier R. B. Bennett believes, by the $20,000,000 relief resolution which he introduced to-day in the House of Commons. Declaring that the government proposed "work, not charity" for the unemployed, the premier informed the house what the $20,000,000 would do. It would be used, he said, to complete the trans-Canada highway, to cover the excess costs in the construction of federal, provincial and municipal public works and possibly of railway branch line construction and for any necessary assistance to the marketing of the products of lands, forest, sea and mine.

This was a clear cut statement and similar in its terms to other statements contained in the newspapers of this country at the time. The Kapuskasing Tribune, making allusion to the undertaking under discussion, says:

> There is general agreement that measures will be passed to provide work for unemployed, and foremost among these is the Canadian highway, which would absorb labour in eight of the nine provinces and be a definite investment that would pay for itself. The paralleling of the Canadian National Railways transcontinental line from Quebec city to Winnipeg by the highway would also have the effect of stimulating the revenues of the government-owned railway. Canada is now called upon

to pay large annual deficits incurred by the Canadian National Railways so that any improvement that can be effected in that situation will be a lightening of the taxpayers' burden.

I believe hon. members realize that the people knew the verdict they were giving by their vote last summer, and that having put the Conservative party in power, that party would take full responsibility for the situation regardless of any obstacle which might be presented. I have said before, and I repeat it, there was no mention last summer of any financial or provincial complications, and I believe the credit of the country to-day is good enough to justify going ahead with this construction. Naturally, with an undertaking of this magnitude there is bound to be conflict between the provincial and federal governments, but apparently every difficulty of this nature has been surmounted according to an interview then given by the premier of Ontario, our present High Commissioner in London, in the course of which he stated the provincial authorities were ready to work in harmony with the federal government in constructing the trans-Canada highway—but that now the responsibility rested with the federal government. Everyone is aware that the Hon. Mr. Ferguson was the right hand man of the present Prime Minister during the campaign last July, and he must have been familiar not only with the policy of the Conservative party, but also with the intentions of the present Prime Minister. These are the words of the Hon. Mr. Ferguson as reported in the Mail and Empire:

> Province to Aid Highway
>
> "As soon as the federal government makes a start on construction of the trans-Canada highway, money for which is included in the $20,000,000 asked for by Premier R. B. Bennett for unemployment relief, the Ontario government will offer every assistance towards constructing the Ontario section of the highway." This was the statement made by Premier Ferguson last night when asked what steps should be taken by the province in the matter of route, cost and other phases. "It is a federal matter and no doubt the question of route will be decided," said Premier Ferguson. "Ontario will offer every assistance to the dominion authorities."

The other day I listened with a good deal of interest to a statement made by the Minister of Railways (Mr. Manion) when a question was put to him if there was any objection or any requests or demonstrations from the provincial authorities with regard to proceeding with the highway, and his answer was that none had been received from the Ontario government. That answer simply put the onus on the federal authorities, and it is clear that the responsibility rests wholly on the federal authorities so far as the construction of this highway is concerned. Now I am going to quote from the Kapuskasing Tribune of February 27, 1931:

> The decision, as ex-premier Ferguson has said, rests with Premier Bennett and the dominion parliament. The federal Prime Minister must be getting impatient, waiting for a lead from Queen's Park, because the longer the trans-Canada highway is delayed the more prestige he will lose thereby.

I know it will be said in this house that the financial condition of the country will not permit of this expenditure but recently we had a conversion loan in connection with which Canada went over the top in magnificent style, and it should be possible for the country to raise sufficient funds to carry on that work, which is absolutely necessary for the relief of unemployment in the section of the country I have the honour to represent. This matter has been referred to by a number of members of the federal government. Quoting again from the Kapuskasing Tribune, I find the Minister of Railways quoted as having said, at Fort William, that during the winter money was spent for the construction of the trans-Canada highway, and the money had been taken from the $20,000,000 voted at the last special session. So it shows that to some extent at least the federal government have implemented the promise made during the last election, and that actually some money has been spent for this purpose in northern Ontario. I should like to impress the house with the statement made by the present Prime Minister at Winnipeg, during the highway convention:

> Premier predicts all of trans-Canada highway will be paved in decade. Two announcements of outstanding importance to Canada from the standpoint of national development, prosperity and integration, both of special interest to the motorists of this country, were made at the recent annual meeting in Winnipeg of the Canadian Association of Tourist and Convention Bureaux.
>
> Premier R. B. Bennett, His Worship Mayor Ralph H. Webb stated in the course of his address, had declared during his conference with the western mayors, that within a decade the trans-Canada highway would be paved from its Atlantic to its Pacific terminus and that federal aid would be provided for the completion and improvement of the nation's main street on a fifty-fifty basis with the provinces.

This statement was made by the Prime Minister of this country, after he had been in office three or four months. Without mentioning any aid from provinces or anything else, he stated that what we call the trans-

Canada highway would be a hard surfaced road from the Atlantic to the Pacific within a decade and because of the activities of some of the members of the present administration during the last campaign, now the responsibility rests entirely upon this government.

The statement was made that the construction of this highway would relieve unemployment. I do not like to dwell at great length upon the troubles of the section of the country which I represent, but every hon. member of the house realizes that the unemployment situation is just as acute now as it was last year, if not more so, and this applies particularly to northern Ontario. Our settlers are suffering at the present time. It is true that we have a number of newsprint industries in northern Ontario, but the settlers who are quite a distance away from those mills could not sell their pulpwood last winter, having practically no export market for their surplus of wood or lumber; and if they had not received relief from the provincial and federal authorities they would have been close to starvation. The same condition exists in the larger centres of population. I have under my hand a press report emanating from Sault Ste. Marie, to the effect that thousands of people are jobless at the present time because one of the big newsprint mills closed down. The same applies to North Bay, to Sudbury and to Cochrane. In the town of Cochrane, which is my home town, we have some big developments going on. The railway is being constructed towards Moose Factory; there is the big hydro development at Coral rapids and so on, but the fact is that there are many people in Cochrane who cannot find employment. This is one reason why this government, during this coming summer, next fall and next winter, should spend large sums of money in implementing their promise.

Now I desire to quote an article from the Cochrane Northland Post, dealing with the unemployment situation there, and I believe this to be typical of a number of towns in that section:

> May 14, 1931: There seems to be no limit to the number of unemployed that the town of Cochrane can harbour, from the appearances of the streets these days. Last Monday evening when the National pulled out of town, Railway street and Sixth avenue looked as though they were out to put Yonge street in the shade. It seems a pity that the citizens of the town are forced to either step off the sidewalk or else be jostled till their teeth rattle in order to get to and from work.
>
> Several storekeepers have complained that the entrance to their places of business have become the stamping ground of the hundreds of unemployed that we have in town. Many of these unfortunate men seem to monopolize the sidewalk with a bovine-like indifference, making it almost impossible for women with baby carriages, to say nothing of the decidedly coarse type of talk that is all too frequently heard. It is hoped that work will be resumed up north soon, before a series of robberies break out, which is inevitable with the large number of men we have here with no means of support. Already two or three have been reported. The ease with which liquor can be obtained does not help the situation any.

I am making that statement in order to help the people of this country to realize the situation which exists in that northern country. I do not want to mix federal and provincial politics, but because of the fact that this year the grant by the Ontario government to the northern development branch has been cut from $10,000,000 to $5,000,000 the situation there will be much worse. Now the responsibility rests upon this government to implement the promise made by all parties during the last election with regard to the construction of a trans-Canada highway. They can be positive that such implementation would be supported by every member of this house.

It may be a surprise to many hon. members of the house to learn that in Ontario, the richest and most thickly populated province in Canada, there are hundreds, if not thousands, of miles of new highway to be constructed in order to link up the east and west. As the Minister of Railways said last week in connection with another matter, the trans-Canada highway was never meant by his party, or in fact any other party, to be a new road running parallel to the present highway system in Canada. I believe that in Ontario we have the best highway system on the North American continent. This applies particularly to southern Ontario, because of its larger population and smaller area. In northern Ontario the same situation does not exist. I am not blaming anyone, because in the past it would have been absolutely impossible to construct highways in unpopulated areas—no more than it would have been possible for the government of Manitoba to build highways to the Flin Flon and other mining areas, or to Fort Churchill. Therefore, I am not seeking to blame any person because these highways have not been built in the north. The fact remains, however, that much of the highway construction necessary in connection with the trans-Canada highway must be in northern Ontario.

What is the situation in that connection? I will beg the indulgence of the house if I refer to what some people might regard as a local matter, which is in issue between the southern and northern sections of northern Ontario. I maintain that it is more than a purely local issue, however; I say it is a

national issue, because every citizen of this country is directly or indirectly interested in the construction and the routing of this highway. For the sake of discussion I will divide the highway system of Canada into three sections: first the eastern system, comprising Prince Edward Island, Nova Scotia, New Brunswick and parts of Quebec and Ontario; second, the central system, which is the link to be constructed in northern Ontario, and third the western section which will comprise the three prairie provinces and British Columbia. It has been said in the past that the provinces of Prince Edward Island, Nova Scotia and New Brunswick were not particularly interested in the construction of a trans-Canada highway for the very good reason that the highways of the three provinces are linked up together, but in Quebec we have a different situation. It will be necessary to construct hundreds of miles of new highway from Quebec city towards Cochrane and Winnipeg, and in Ontario we have the same situation. As I stated a few moments ago, in southern Ontario we have the best system of highways not only on the continent but, I was going to say, in the world. In northern Ontario, however, by reason of the size of that section of the province, the sparseness of the population and the lateness of settlement, there exists a situation which demands the attention not only of the different localities directly interested but of every citizen in the country.

I shall deal briefly with the local situation, but before proceeding to do so I desire to discuss for a moment or two the three highways going westward. I believe the province of Manitoba will have access to the borders of Ontario this year. The province of Saskatchewan has its own highway system east and west, and in Alberta the situation is different from what it is in either Saskatchewan or Manitoba. On the western slope of the Rocky mountains in that province a connecting link of the highway has to be constructed. And the same applies to the province of British Columbia.

Coming back now to the local issue, I trust that the facts I shall place before the house will provoke some discussion. I would make an appeal to all the chambers of commerce in this country because, as I have said, every section of Canada is directly interested in the routing of the highway, particularly so far as northern Ontario is concerned. It is surprising to me that there have not been more pronounced activities on the part of the chambers of commerce of Toronto, Montreal, Halifax, Winnipeg and the other large centres of population. I believe that a solution of the problem will be more quickly arrived at if these larger centres will consider the situation from the point of view of northern Ontario and the whole of Canada.

In northern Ontario the people along the north shore of lake Superior maintain that the trans-Canada highway should go through their section. We contend—and we have logic, distance, and economic considerations on our side—that the highway should parallel the Canadian National railway from La Reine on the Quebec border straight to Winnipeg. But until such time as the people of Canada as a whole undertake to deal with the situation, it will be difficult to find a solution.

At present there are in northern Ontario three schools of thought with regard to the routing of the highway. First of all there are those who favour the north shore routing, which would represent a distance of approximately 585 miles of new road to be constructed. This will run from Sault Ste. Marie to Nipigon, following closely the north shore of lake Superior. Needless to say, the north shore route is backed up by the people all along that section. A distance of 60 miles of road has already been constructed; it extends from the Sault to Batchawana bay. It may be contended by some that, inasmuch as the majority of the population is in the southern section of northern Ontario, the highway should be routed through that section. But we must not overlook the fact that, with development, there will be undoubtedly a much larger population in the northern section in the near future than there is at the present time in the southern section.

There is another school of thought in regard to the routing of the highway. There are those people who believe that the proper route should have the Mississagi valley as its objective. This is a distance of 650 miles of new road to be constructed. I believe that route was first recognized by the hon. member for East Algoma (Mr. Nicholson), and it is sponsored by Chapleau and other towns along the Canadian Pacific railway. It starts some 30 miles east of the Sault and runs north of the Sault and on to Oba. The route connects with the road system and follows the western sections. There is no doubt as to the advantages of this route. It would avoid the rocky country and provide a highway system for all the population from North Bay to the Sault. Its construction would be cheaper and it would traverse a section of country rich in wonderful scenery and excellent fishing and one capable of great agricultural development. The important feature of this route is that it provides a basis for

compromise between the north and the south. In a resolution I have on the order paper I make allusion to the fact, which is recognized, that eventually alternate routes will have to be constructed; and needless to say, whatever section of northern Ontario has the advantage of the initial route will be at least twenty years ahead of the other. It will take that length of time for the second section to catch up with it.

Then there is the Cochrane or northern route, a distance, from Hearst to Winnipeg, of 519 miles. This will run directly west, and it is a route that will have to be considered. I had some interviews with the premier of Quebec and others living on the western slope of the province. They want to have a direct highway connection with the trans-Canada highway, and the only direct connection that can be afforded will be by way of the Maniwaki road west of the city of Hull and by the Mont Laurier road which will give direct connection with Montreal, going by lake Victoria, and on towards northern Quebec. Such a route will shorten the distance from Montreal to Winnipeg 150 to 225 miles, and therefore this aspect of the situation must be considered in any discussion of the routing of the trans-Canada highway.

I will now discuss as briefly as I can the merits of the different routes which have been mentioned. I do not wish to be partial, but I need hardly say that, seeing that I belong to the northern section of Ontario, I am naturally in favour of the northern route. I think, however, that I can prove that our section of northern Ontario affords the most favourable facilities for road-making of any section of the country. When I say this I am not casting any reflection on the efforts made in the past by those who have favoured the north shore route. In my opinion, in view of the high cost which would devolve upon the government, and considering the present financial condition of the country, that route must be regarded as impossible. Let me repeat, however, that we in the northern section of the province are willing at all times to come to an honest compromise with other sections of Ontario. We have in that northern part of the province 85 per cent of the entire area of Ontario. We consider, therefore, that we are favourably situated in relation to the route which the highway should take.

Let me discuss the merits of the different routes under five heads: First, distance; second, cost; third, possibilities for settlement; fourth, tourist attraction, and fifth, political expediency.

So far as distance is concerned, the northern route is 250 miles shorter, going in the direction of Quebec city, passing Cochrane on the way to Winnipeg. As to cost, I have reliable information from official sources to prove that the cost which the route I advocate would entail, would be less than the others. The northern section of northern Ontario is partly a flat and rolling country, with well forested land and on which there can be found gravel and sand suitable for highway construction; and in from two to four years, at a flat rate of $20,000 per mile, the road could be constructed. This would include cuts, fills, bridges and so forth. It would not make as considerable a demand on the federal treasury as the other routes proposed.

As to the possibilities for settlement, anyone familiar with the situation on the north shore knows that settlement is absolutely impossible in that section of the country, while in the northern section of the province 80 per cent of the land, we know, is capable of settlement—and the settlements in the clay belt are a proof of that statement. As regards attractiveness to tourists, I believe the three routes I have discussed are on a par. The northern section is a paradise for tourists and even at the present time, without means of communication in some sections, we have thousands of visitors from the United States —I had almost said from every part of the world—who go into that part of the country and spend months in the summer and winter time hunting and fishing.

There is one more point to be considered. The statement was made by the chairman of the Timiskaming and Northern Ontario commission that steel will be laid to Moose Factory. Every schoolboy and schoolgirl in Canada and the United States, when looking at the map of the North American continent, sees this great inland waterway called the Hudson Bay, sometimes referred to as the Mediterranean of the North American continent. There is no doubt that every citizen, whether of the United States or Canada, has a desire to visit at least once in his life that wonderful inland sea. The Timiskaming and Northern Ontario Railway will soon have the steel extended as far as Moose Factory, on James bay, the most southerly point on the Hudson bay. The Timiskaming and Northern Ontario Railway is contemplating the building of a large hotel at Moose Factory in order to provide accommodation for the expected tourists, who in my opinion will

be coming in by hundreds and thousands. The Hon. W. F. Finlayson, Minister of Lands and Forests of the Ontario government, has stated that within a very short period there will be constructed a highway from Cochrane to tidewater on James bay, and many people are going to make use of this highway to visit this north country in order to fish or hunt, and to enjoy its wonderful and invigorating climate during the summer and winter months.

To some people it may seem to be wrong to ask for a large expenditure of money for this purpose, but the same argument was used only a few years ago when it was suggested that the Timiskaming and Northern Ontario railway should be extended. The results obtained by that extension have been a revelation, not only to the province of Ontario but to the dominion as a whole. The northern section of the province has proved to be a treasure house for the whole of Canada. This is the opinion of Mr. Wharton Shaw, as expressed in an article which appeared in MacLean's Magazine of March 1, 1930.

I realize the position in which any government is put in trying to choose a route. If the southern route is adopted, the northern sections of the province of Ontario will be left without communication westward for at least twenty years to come. The northern is the shortest route, running west from Hearst along the Canadian National railway to Richam and I believe that the solution of that important and complicated problem will be found in my proposed resolution, which reads as follows:

> That, in the opinion of this house, all moneys voted for that purpose will be spent on a fifty-fifty basis, on the La Reine, Cochrane, Hearst, Nakina and Sioux Lookout section on the one hand and the Sault Ste. Marie, Fort William, Port Arthur and Kenora, on the other.

Because of the physical obstacles to be surmounted, it is almost impossible to consider the construction of the north shore route, but I believe two alternate routes should be constructed at the same time. The people of Canada are entitled to a solution of this problem in a manner which will satisfy every section of northern Ontario. The construction of this highway should be considered in the same manner as are similar projects in the United States. Their highways are built on a direct line and take into consideration the needs not only of the tourist but of the truck traffic.

We in the northern section of northern Ontario are ready to come to a sincere and reasonable compromise on this question. I believe the hon. member for East Algoma (Mr. Nicholson) stated a few months ago that the Mississagi route would be a good compromise between the northern and southern sections of the province, that route to meet the Ferguson highway at Oba on the Canadian National railway, about 55 miles from the town of Hearst, and then continue in a southwesterly direction to Port Arthur and Fort William. I do not believe that that would be a fair compromise as the proposed route would not go far enough west to take in Nakina and that section of the country. The population there is not large at the present time but it will increase. We should join with the other section west of Long Lac so as to include Nakina.

Every hon. member should be interested in this problem because every section of the country is interested. This is not a regional question, it is one which affects the country as a whole because every person, and particularly the motorist will be interested in travel over this route. I believe it was stated in this house two or three years ago that the geographical division of Canada was a monstrous anomaly, but the people of Canada do not realize the wonderful heritage they have in northern Ontario. We used to think that that section of Canada was practically a barren country, but I repeat that it is really the treasure house of Canada in land, in mines, in water powers, in forests and all kinds of undeveloped resources. A statement was made by Hon. Charles McCrea, provincial Minister of Mines, speaking in Hamilton during the last election, that for every dollar invested in northern Ontario a return of $10 was received, and I agree absolutely with that statement.

I believe the construction of this highway would be a great step in the direction of bringing about solidarity within Canada. It may surprise some hon. members to know that to us in northern Ontario, Winnipeg, as far as news is concerned, seems as far away as is Russia. We are in touch with municipal activities in the cities of Toronto and Hamilton and other centres of population to the south of us, but we hear nothing of Winnipeg unless it is in connection with a strike or something of that kind. I do not desire to prophesy, but I cannot help predicting that within a very short time millions of prosperous contented people will be found in this section of the country. There are enormous undeveloped natural resources and the construction of this highway would provide one means of development. I do not make this appeal from a partisan point of view. This parliament stands before the tribunal of public opinion to see to it that we be given what was promised last July.

Another angle to this problem is the unemployment situation. Mayor Ralph Webb of the city of Winnipeg has stated that he has been bringing pressure to bear upon this parliament to bring about the construction of this trans-Canada highway in order to give employment to twenty-five to thirty thousand men for at least three or four years to come. Before this session is completed a sufficient sum of money should be voted to provide for the construction of this link between the east and the west. Such a course would bring about unity and a better understanding among all sections of this country, and greatly help in the solution of the unemployment situation which is getting more and more serious and certainly deserves the immediate attention of this house.

Mr. J. R. HURTUBISE (Nipissing): Mr. Speaker, may I add a few words to those already said by the hon. member for North Timiskaming (Mr. Bradette). He has presented the case in a very able manner, not from a political but from a national point of view, and it is from that point of view I desire to discuss this question. During the last campaign this matter was one of the subjects of discussion, and I desire to refer to a statement made by a member of the Ontario government. Hon. W. F. Finlayson, the provincial Minister of Lands and Forests, is quoted in the Sudbury Star of July 12, 1930, as follows:

> The trans-Canada highway is a national, not a provincial undertaking, the minister declared, and should be carried out by the federal government.

That is what the Minister of Lands and Forests said. On Wednesday, July 16, 1930, the Sudbury Star reports a speech of the present Prime Minister, at Quebec, as follows:

> Hon. R. B. Bennett, speaking in Quebec, reiterates his adherence to the plan for building a national motor highway across Canada.
>
> The Conservative leader is bound to make many friends with this program. There are plenty of desirable national undertakings for Canada to carry out, but few of them are more important than the building of a modern, adequate, wide motor road from Halifax to Vancouver. In Ontario and Quebec, much of the existing highway could be used for this purpose. The big pull would be through northern Ontario and the west.
>
> The northland is greatly interested in the question of a through highway. This part of the province is developing fast, and to give it further impetus, it should be connected up with east and west, giving easy access to travellers, both Canadian and foreign. A trans-Canada road constructed through Sudbury and the region to the west would open up large possibilities, and the expenditure involved would in time be returned a hundred-fold.
>
> This highway must come, and it must come as a federal undertaking, perhaps with a certain amount of provincial and municipal assistance. The manner of its financing, however, is not nearly as important as the building of the road. It should have been started a year or more ago. Every moment that it is delayed Canada loses the undoubted benefits that would come from such a project.

After the Conservative papers saying at that time that the trans-Canada highway was such a necessity and had been so much delayed by the Liberals, it is surprising that they talk so little about it to-day, and apparently find it not so very useful. I am always quoting the Sudbury Star which is a Conservative paper in my home town. The Sudbury Star of August 6, 1930, said:

> The board of trade is preparing a fight to have the trans-Canada highway through Sudbury.

These are the words I want to emphasize.

> With the election of the Bennett government, pledged to call a special session of parliament to deal with unemployment, the probability of the trans-Canada road being started this year is considered likely.

I want to show that although agriculture and the butter question were discussed during the last election, the subject of a trans-Canada highway was the main issue in my constituency. I might quote the Sudbury Star of August 9, 1930, in a despatch from Cochrane, as follows:

> Mr. Wright (President of the Northern Ontario Associated Boards of Trade) writes from Englehart that "certain developments have taken place recently which must of necessity bring the matter again prominently to our attention, and he urges the local boards to prepare for the discussions which he expects on this question and which may lead to a direct presentation of the case for this part of Ontario to the federal authorities.
>
> Hon. W. A. Gordon, member for South Timiskaming, Minister of Immigration and Mines, has spoken frequently on the subject of the trans-Canada highway, which he claimed was an important issue from the point of view of the people of his riding.

I hope the Minister of Immigration has not changed his mind since then. Let me cite the opinion of the hon. member for East Algoma (Mr. Nicholson). The Sudbury Star of September 3, 1930, reports a letter written by the hon. member for East Algoma to Mr. Wright. I am not going to read the whole article, but this is the point which the hon. member for East Algoma brought out:

> Points to be considered. I advocate this route—

He was talking of the Mississagi route.

> —as against the route around the north shore of lake Superior, for the following reasons: In the construction of a trans-Canada highway four things should be kept definitely in mind:

1. The desirability of linking up the whole country in one unit from a transportation standpoint.
2. The most effective means of developing the country.
3. To provide a route that will make it possible and convenient for the tourist and trans-Canada traveller to visit the largest and most attractive area in the most convenient way.
4. The most economical way by which all of this can be accomplished. Almost any route that might be decided upon from east to west meets the first point raised.

Let me quote the Sudbury Star of September 17, 1930:

The benefits accruing to a municipality through having an aggressive board of trade have been aptly demonstrated in the vital question of the construction of the proposed trans-Canada highway, which has been agitating the northern Ontario centres during the last few weeks, and which is one of the most important problems affecting the vast stretch of country north of the Canadian Pacific Railway that has been in the public mind for a long time.

Without a board of trade, it is doubtful if any active steps would be officially taken in a matter of this kind. The project does not come within the province of a municipal council, although, if the latter were not over-occupied in purely civic problems, they might, in a measure, divert their attention to through roads.

He proceeds to explain the necessity of a trans-Canada highway. I rise on this occasion just to add a few words to what has already been said by the hon. member for North Timiskaming (Mr. Bradette). I want especially to emphasize that if we ask, regardless of partisan views, for the immediate construction of this trans-Canada highway, it is to relieve the unemployment situation which is so bad at the present time. In my constituency unemployment is becoming worse every week. I want to mention in particular the town of Sturgeon Falls, with a population of 4,000 which for twenty-five years has depended for its livelihood on the operations of the Spanish River pulp industry which is now the Abitibi Pulp and Paper Company. This company, however, closed its doors seven or eight months ago. Charitable contributions have reached their limit; the municipality can do no more; the provincial contributions have also reached their limit, and now it is the federal government's turn to step in and do something. Therefore I ask for the construction of this trans-Canada highway, mostly for the relief of the unemployment situation. I might congratulate the municipalities and the provincial government for having tried last fall to do something to relieve the unemployment situation. But what has been done for the relief of unemployment in the district of Sudbury, particularly around Mattawa and Sturgeon Falls has been altogether impractical, and the methods which have been adopted were far from being profitable for the country. Large pieces of road have been built in the middle of winter whereas in the spring the same work could have been done in one-tenth of the time with one-quarter of the money. It is my opinion that such work should have been begun early last spring, because at such time it could have been done much more advantageously.

I have a further reason for suggesting the immediate construction of the trans-Canada highway, because the expense involved would be well justified. To my mind such construction would constitute a good piece of business. Referring to the tourist trade in Canada the Ottawa Journal of May 22, 1931, contains the following report:

In 1930 almost five and a half million United States automobiles crossed into Canada, and both Ottawa and Washington estimate that in the neighbourhood of $400,000,000 was put into circulation in the dominion as a result.

Northern Ontario being a more undeveloped country, needs such a road for its further development, and at the same time that section of the country would receive its fair share of the tourist trade. Up to the present time many of the Canadian people have been under the impression that American tourists have come to Canada simply to quench their thirst. I think that is an erroneous view; the vast majority of tourists enter Canada to enjoy the beauties of our country. Undoubtedly a great many of them would be drawn to northern Ontario if the road now under discussion was built. Northern Ontario would share to a considerable extent in the $400,000,000 referred to in the Ottawa Journal.

I shall not add anything further about the necessity for the construction of the trans-Canada highway, but would strongly urge the government to consider the matter and to take action immediately. The construction of such a highway is a vast undertaking and before it could be undertaken engineers would have to survey the whole route, which undoubtedly would involve a work lasting some weeks and probably months. If the route is not now decided upon, construction work may not be initiated this year. I hope the government will take immediate steps to decide upon a route, have it surveyed and give work to thousands of men as was promised during the election campaign.

Mr. SIMPSON (Algoma): My hon. friend is undoubtedly aware that two or three routes have been suggested. Which of these routes would he favour?

Mr. HURTUBISE: The different routes have been outlined by the hon. member for North Timiskaming (Mr. Bradette). Naturally every one would like to see the road pass through his own home town. The hon. member for North Timiskaming urged that the road should pass through his district, and similarly I wish to have it pass through mine; but I have no hesitation in saying that hon. members on this side of the house are above politics in the matter and will leave the routing to the decision of the provincial and federal governments. We would accept their decision gladly and would like to see the work proceed immediately.

Mr. PETER HEENAN (Kenora-Rainy River): I would like to add to the remarks of the hon. members for North Timiskaming and Nipissing concerning the construction of a trans-Canada highway. Owing to the fact that the government has definitely promised to build a national highway I am disappointed that we have not heard some pronouncement concerning its construction. Undoubtedly during the last election campaign the present administration made definite promises with respect to the building of a highway through northern Ontario. The hon. member for Nippissing has referred to a statement made by the Minister of Lands and Forests for Ontario at a smoker held in the town of Sudbury during the last election campaign wherein he stated that the highway now under discussion was a federal obligation. The St. John Telegraph-Journal of July 1, 1930, contained the following statement made by the present Prime Minister at St. John, New Brunswick:

> We say that the federal government under our administration will build a great national highway in Canada.

No statement could be more definite than that.

The London Free Press of June 25, 1930, contains the following statement made by the Prime Minister at Cobourg on the preceding day:

> "A national highway for Canadians. A highway in Canada, not through some other country. A highway in which you can leave Cape Breton and arrive in Vancouver without going into any foreign land." Mr. Bennett declared that the undertaking must be accomplished by the hands of the federal government.

To my mind that statement regarding the building of a national highway is quite definite.

The Ottawa Morning Citizen, in an issue the date of which I have not been able to ascertain, published the following extract from a speech delivered by the present Prime Minister at Ormstown:

> A national highway was required for agriculture, to connect the east with the west; to this national highway his party was pledged.

I could refer to many other quotations of a similar character, but I do not think I should burden hon. members. Undoubtedly they are fully seized of the fact that the Conservative party, the Prime Minister in particular, placed themselves definitely on record during the last election campaign to the effect that a national highway would be built at the instance of the federal government. I think a definite pronouncement should be made to ease the anxiety of the people of northern Ontario as to whether or not the federal government is going to build or assist the provinces in building a national highway. An announcement to that effect has not been made by the present administration.

I spoke on this matter at some length in the course of the debate on the address in reply to the speech from the throne, and I do not propose at this time to repeat what I then said. But I think it is well that we should ask the government to make some definite announcement which would at least put an end to the anxiety of the people and also stop the political manoeuvering of a few persons in northern Ontario who have delayed the building of the highway for so many years. I think probably a brief history of the highway might be useful in order to enlighten some members of the house who may be interested in it.

My official connection with it commenced in the town of Dryden in 1919 when I became a member of the Ontario legislature. At that time delegates from every town and hamlet between Winnipeg to away east of the head of the lakes met and formed an organization known as the Central Canada Colonization and Highway Association. The president of the association was, and is to-day, a leading Conservative in northern Ontario. In fact he was the defeated candidate in the provincial election of 1919. If I took the time of the house to read the names of the officers of the association, hon. members would realize that most of them are leading Conservatives

in that section of the country. So this was not a political organization in any sense. The executive met, formulated a memorial and presented it to the Ontario government in March, 1920. A couple of paragraphs will indicate what the association had in mind at that particular time. After declaring that Ontario should construct the highway piece by piece the memorial proceeds:

> The Manitoba government is prepared to complete its portion of the road just as soon as the Ontario government defines the meeting place, and the Manitoba engineers are waiting to do the work in conjunction with your engineers. The necessity of this point being defined is important, and if this has not already been done, we trust that you will immediately take steps to have it completed.

It will be observed that members of the association had already met the Manitoba government and had received an assurance from them that they were prepared to do their part of the work. The memorial proceeds by resolution:

> That this executive is of the opinion that the Ontario government should map out its road building program so that the Winnipeg to head of the lakes highway be completed within five years, and that, during 1920 the road from Kenora to the Manitoba boundary should be completed, also 42 miles of road from the head of the lakes be provided by the building of 3½ miles of new road and the gravelling of 16 miles.

The memorial further says:

> We, therefore, ask that during the year 1920 the provincial government in Ontario complete the work as outlined in resolution No. 1 hereinbefore.

That was the attitude of the people in the portion of the territory in which I reside. Mr. Pitt of Dryden, as president, presented that memorial to the Ontario government in March 1920. Work was started and got fairly under way, and, as requested, there was a survey made from Kenora to the Manitoba boundary, the right of way was cut and grubbed and some grading done. In 1923, as we well know, there was a change of government in Ontario, and thereupon the work, for some reason or other was practically shut down. We urged on the new government of Ontario the desirability of carrying on the work that had been started in 1921, and we find the Hon. James Lyons, stating at the head of the lakes, as reported in the Fort William Times-Journal of May 30, 1924:

> Completed in three years. The policy of the government is to open up northern Ontario roads as speedily as possible. The highway through to the Manitoba boundary will be a direct line from Fort William north of Rainy River and Fort Frances and will be completed within three years. The road eastward towards the Soo will be undertaken at once, and will be completed within the next seven years, it is hoped. Not only will engineers be on the route, but work will be commenced within a few days.

I have read sufficient to show that a very definite pledge was made to proceed with the construction. Notwithstanding that pledge nothing was done, and as a matter of fact the road is still uncompleted. At that time we had other highways under consideration, and surveyors were blazing a trail across from the Canadian Pacific Railway to the town of Sioux Lookout, but that work, too, was suspended. In answer to a letter of mine the Hon. James W. Lyons, then, Minister of Lands and Forests, wrote me under date of March 4, 1924:

> Your letter of March 3rd, with petition regarding the Canadian Pacific Railway Sioux Lookout road received, and have to advise that this matter will be given consideration along with the other real needs of the north, but it will probably be the first to the middle of April before any decision is made in the matter.

That is a road that connects up with the main highway we are now discussing. Every conceivable excuse was made by the Ontario government for not proceeding with the highway. At one time they stated that the Manitoba government had not put itself on record as willing to meet the Ontario government at any particular point; but I myself accompanied a delegation to Winnipeg along with the president of the association that I have referred to and, Colonel Schnarr, president of the board of trade of Kenora, and others and in conjunction with members of the Manitoba legislature we secured a definite promise from their government to meet the Ontario government at mile post 24. In addition, before the Bracken government came into power we had Mr. McPherson put his government on record in the matter in a letter to the mayor of Keewatin, and no doubt this will be of interest to some hon. members. This letter is from the office of the Minister of Public Works, Winnipeg, under date of August 10, 1921, addressed to N. J. Hansen, mayor of Keewatin, Ontario.

> Re: Ontario-Manitoba Highway
>
> Dear Sir:
>
> I beg to acknowledge receipt of your communication dated August 8th inquiring as to the location of the connecting proposed route of the Manitoba-Ontario highway at the Ontario border.
>
> I have had this matter under consideration for some time, and after due consideration and consultation with our reclamation branch it is agreed that the vicinity of mile post 24, or in other words at or about mile post 24, will be satisfactory from the standpoint of this province.

I trust that this will meet the requirements of the situation at the present time, and as I understand the Ontario Minister of Lands, Hon. Mr. Bowman, is to visit your district very shortly, this will be in the nature of an assurance as to the location of the proposed road.

I am in receipt of correspondence from Mr. Wydeman, of the Kenora Examiner and Mr. Cornish of the Canada Colonization and Highway Association, and copies of this letter are being forwarded to each of these gentlemen.

Yours faithfully,

C. D. McPherson,
Minister of Public Works.

So there was no doubt in our minds that there was a definite arrangement between the two governments to meet at mile post 24. Indeed, in 1926, one of the Conservative candidates for the provincial house, Mr. J. P. Earngey, issued a statement to the electors in which he said:

If elected, I propose to join forces with the members for Rainy River, Fort William and Port Arthur for the rapid completion of the portion of the trans-Canada highway from Fort William west; and for the construction at once of the highway to Fort Frances to tap at that point the great tourist traffic from the United States which is waiting to flow this way.

So the government candidate had no thought whatever that this highway would be built only on condition that the federal government contributed anything to it. As a matter of fact, until the approach of the last federal election there never was a suggestion from any point that the federal government should contribute one red cent to the cost of the construction of that highway through that portion of the country. Mayor Webb of Winnipeg, a very pronounced Conservative, took issue with a Liberal during the campaign of 1926, and in a letter to the Fort Frances Times under date of August 26, 1926, he said:

We must all work together and the man or women or any political party or any organization that in any way, shape or form, tries to create or breed friction, deserve to be shown by the people at large that they will have nothing to do with them whatsoever.

Neither of the parties at Ottawa have anything to do with the local problem of a highway between Winnipeg and Kenora, or in the great development of this wonderful area.

So here we have a very pronounced Conservative taking a Liberal to task because he suggested a federal contribution. Of course it is true that Mayor Webb changed his views during the last election and joined with a good many others in misrepresenting the position of the Liberals, and particularly my own position, in connection with the trans-Canada highway.

A few moments ago I quoted Mr. Lyons, who was Minister of Lands and Forests in 1924. As hon. members will recall, Mr. Lyons resigned and was succeeded by Mr. Finlayson. In the Kenora Examiner of September 16, 1927, we have this statement by Mr. Finlayson:

The government propose, after the completion of the Ferguson highway, this year, to devote more money and attention to the roads in the northwestern part of the province. The development from Port Arthur and Fort William to the Manitoba boundary requires attention, and during the next year or two the roads in this section of the province call for very considerable improvement.

Then we have ex-Mayor Toole, of Kenora, another very pronounced Conservative—and in passing I might say one of the most decent Conservatives in northern Ontario—speaking at a banquet in honour of Mr. Finlayson at Kenora. Mr. Toole was selected to present to Mr. Finlayson the views of the people in that part of the country with respect to many matters. In connection with the highway, I find the following comment, in the Kenora Examiner of August 26, 1927:

Why can we not have a road to Dryden? Why should we not be connected up with that part of our own district? Only about forty-five miles of construction are needed to link us up to that thriving agricultural section who need the road as much as we. Dryden and Kenora, two good towns, and many smaller communities cut off from each other. Hon. James Lyons, on a visit some years ago, promised it; yet the road is not built.

You have said that a road from the south would bring in foreign wealth, not only tourists but some ready to invest as well. Much of the country around Toronto itself was built up by visitors who were quick to see an opportunity. Money expended on highways here will bring enough tourists to give returns that not only pay for maintenance but construction as well.

The automobile has revolutionized everything in the last few years. We hear of roads being built all around us, but so far only twenty-two miles has been built for Kenora. We in this district are loyal to Ontario, but to-day unfortunately there is much dissatisfaction against the government for the lack of progress in this section.

Those are the words of one of the leading Conservatives of that section of the country. Anyone who knows Mr. Toole will agree that he is one of the most far-seeing gentlemen in northern Ontario, and a man who is always boosting his district. Then we had the president of the Central Canada Highways Association, Mr. Alfred Pitt, who was invited to address the Kenora Rotary Club. He is reported in the Kenora Examiner of November 30, 1928, as follows:

Well, we spent a good deal of time and money, and finally Mr. Lyons started what now is the road to within twelve miles of the Manitoba boundary.

Of course, he is wrong in that statement; that road was started before Mr. Lyons was Minister of Lands and Forests.

And so soon are things forgotten, I have heard it claimed that Ontario and Manitoba had not agreed upon a meeting place. This is not so. The surveyors of the two provinces did not meet with the precision of the Simplon tunnel, but came within measurable distance of each other. There need be no difficulty here. The point is settled, although some newspapers, not going editorially deep enough into the facts, seem to forget that.

So that we have Mr. Pitt almost despairing of the possibility of getting this highway, and taking some of the editorial writers in that part of the country to task. I am sure I do not need to mention who they are. One particular gentleman who was a candidate—in fact, he was the legislative representative in Ontario—never writes an editorial on the highway, lately at least, without misrepresenting the whole situation. And that, I may say, is one of the reasons why to-day he is not a member of the Ontario legislature for that riding.

I shall read presently an extract from the Dryden Observer of July 17, 1930. Apparently the whole aspect of this matter has changed. Every speaker in the Conservative ranks taking part in the election campaign in northern Ontario—this was particularly the case in my own riding—endeavoured to misrepresent my position. I have the records of their statements. The whole aspect of the situation, I say, has changed. In the campaign it was no longer a provincial undertaking. Even some of the gentlemen whom I have quoted, who had stated that it was a provincial undertaking with which the federal government had nothing to do, whether that government was Liberal or Conservative, took a different attitude in 1930, declaring then that it was a dominion undertaking. These gentlemen changed their opinion, saying that it was a federal obligation and that the highway would never be constructed until there was a change of government at Ottawa. Let me quote from a writer in the Dryden Observer of July 17, 1930:

Premier Howard G. Ferguson, in his effort to make political capital in the present compaign, tells us he is ready to go fifty-fifty with the federal government in the cost of construction of the highway in this riding, and he and his henchmen, among them Hon. Wm. Finlayson, who was here recently, attack the King administration for not accepting this offer and permitting the work to proceed, thereby affording employment. Manitoba, the prairie provinces and British Columbia each went ahead with their sections and completed them without delay. But Premier Ferguson holds out for fifty-fifty split.

[Mr. Heenan.]

I placed on the order paper a motion which was carried by the house, asking for the correspondence between the government of Ontario and any member of the federal government; and while there were returns from every department of the federal government, there was not one syllable, not one line of communication as between the two governments indicating any request for assistance or for a fifty-fifty split.

The election was fought in our part of the country chiefly on the highways. The Conservatives gained two seats in that part of the country mainly on the promise of that highway, and I am glad now to be in a position to supplement what was said by the hon. member for North Timiskaming (Mr. Bradette), and the hon. member for Nipissing (Mr. Hurtubise). With those hon. gentlemen, I would ask the government to implement their promise and to do so immediately. It is a shame to think that in a beautiful country such as we have in northern Ontario we should be denied a highway to enable the people to communicate with the rest of the world. Moreover, there are people outside looking for scenic beauty, a lovely country such as we have there, with delightful lakes, forests, fishing and game of all kinds. These people are anxious to spend some of their money there and they cannot because of the political manoeuvering of about six gentlemen or so up in my part of the country. It seems to me, Mr. Speaker, in view of the definite pledge made by the Conservatives in my riding during the campaign, and the different promises, as I have outlined them, made by the present Prime Minister, that the government should make some pronouncement as to whether or not they intend to carry out these promises. They should let us know whether they are going to proceed with the construction of that highway as they pledged themselves to do or whether they have changed their minds and intend to make a contribution to the provinces by way of assistance. Whatever course they follow, whether by contribution to the provinces or by undertaking the whole thing themselves, they will have my support.

As regards the route from the head of the lakes to the Manitoba boundary, the question is settled as to the route. The people themselves have agreed upon the route and have so represented to the Ontario government. Whether they sent copies to this government, I do not know. But the present federal government ought not now to seek further excuses on the ground that there are representations from different parts of the country

with regard to the question of route. No matter what representations are made, the government is responsible to the people for the route they should take, and I would suggest that they shoulder that responsibility and establish the route. I am satisfied that if they did so the people in northern Ontario would get behind them and accept whatever route they selected.

While speaking of routes, there is no doubt in my mind that before many years there will be demands for more highways than one in northern Ontario. I am satisfied that if the route should go north the people in the other section of the country will feel that there should be another route; similarly, if the highway is built in the south there will be required before long a northern route. We have two or three routes from the city of Toronto to Hamilton. All through old Ontario you can choose various routes wherever you want to go, and these highways have been built in large part out of the revenues provided by new Ontario. The revenues from mining, fishing, game, forests and water-powers have all contributed to the building of these highways through old Ontario, and I was very much surprised during the last provincial by-election to read that Mr. McCrea, a gentleman who I am sure knows what he is talking about, made the statement that, at this very moment, for every dollar the Ontario government places in northern Ontario it get back ten dollars. If that is true —I do not happen to have his speech here, but I can get it—that is all the more reason why more consideration should be given to the north than it is receiving at the present time. And even if it is not true, the province of Ontario and this government, now that it is under obligation to carry out its promise in this regard, should give greater assistance to that sparsely settled country in accordance with their pledges.

Mr. D. J. COWAN (Port Arthur-Thunder Bay): I wish to intervene in this debate for a few moments inasmuch as the route of the trans-Canada highway would of necessity pass through the district I have the honour to represent. The members of the government, particulary those from northern Ontario, in the past have been in favour of the construction of a trans-Canada highway and at all times have endeavoured to promote the possibility of having that route constructed as early as possible. I do not think there is any argument as to the advisability of the construction and the early commencement of it. Confederation became possible because of the construction of a trans-Canada railway, and in the world of transportation the motor has become a very important item. It would seem to me that the unity of Canada would be promoted if a motor road were constructed across this country, and particularly is that true of northern Ontario.

I do not propose to discuss this issue at great length, except to say that in the communities of northern Ontario we have not a municipal organization. There are no township or county organizations which would contribute towards the cost of this highway, it must be borne either by the provincial or by the federal governments, or by both. It is a matter which can be discussed properly in this parliament; it is a national matter, and for that reason I say that the government now in power should give it its earnest consideration.

Knowing the attitude which this government and the members of the cabinet have taken in the past, I have no hesitation in saying that this is one policy which should be carried out very shortly.

At six o'clock the house took recess.

After Recess

PRIVATE BILLS

SECOND READINGS

Bill No. 62, for the relief of Gordon Aaron. —Mr. Heaps.

Bill No. 63, for the relief of Rita Margaret Mary Longmore.—Mr. Heaps.

Bill No. 75, for the relief of Barbara Wallace Barlow.—Mr. Factor.

Bill No. 76 for the relief of Ray Finkelstein.—Mr. Factor.

IMMIGRATION ACT AMENDMENT

Mr. A. A. HEAPS (North Winnipeg) (for Mr. Woodsworth) moved the second reading of Bill No. 44, to amend the Immigration Act.

Mr. GUTHRIE: Will the hon. member explain? The sponsor of the bill is not present.

Mr. HEAPS: In the absence of the sponsor of the bill, I might say a word or two in explanation. The purpose of the bill is to prevent the government from deporting people who have resided in this country for more than ten years. As regards the purpose of the measure, I think it will have the general support and sympathy of members in all parts of the house. Although I

am moving the second reading of the bill, there are one or two aspects of it to which I wish to refer. There is no doubt that the motive behind it is of the very highest, but if the bill passes in its present form, there will be one or two anomalies.

A person having come to this country say from a certain part of Europe, and resided here for a period of five years becomes a naturalized citizen, and is then entitled to the full rights of citizenship and cannot be deported even though the government may desire to deport him. Under this bill a person born in Great Britain and coming to Canada, and who on account of his British citizenship would not have to become a naturalized citizen of the dominion, could be deported, whereas one who comes from the continent of Europe and resides here for five years cannot be deported. Consequently, if the bill passes as it is worded, certain anomalies might be created which would not be in the best interests of Canada.

My own view, however, on this question is that the whole matter is one almost entirely of administration. Persons who have resided in this country for a given number of years ought not to be deported, as has happened quite frequently during the past few months. I think the reason which motivated the hon. member for Winnipeg North Centre in introducing this measure, is the fact that during the past few months certain persons, most of whom had been born in Great Britain and had resided here for quite a number of years—in some cases as long as eighteen or twenty, if my memory serves me aright—and to whom quite a large number of children were born in this country, have been deported. In one case the mother of a family was torn away from her children and deported to the old country. That class of deportation does not do Canada any good. We have in this country sufficient of the milk of human kindness to allow people to remain here when they become sick and infirm after they have probably given of their best to Canada. I do not think any government, federal or provincial, can offer as an excuse for deportation the fact that having resided within the dominion for a number of years and and raised families, the persons concerned have unfortunately become sick. I have seen persons who have come to Canada, who have had the misfortune to contract certain diseases and who at very short notice have been deported. We ought at least in some cases to be very careful before we order deportations. I know it is extremely difficult for the government to refuse to act when they have been requested to do so by the provincial authority, but on the other hand the federal government has certain responsibilities and I think a statement ought to be made by the Minister of Immigration (Mr. Gordon) that in the case of proposed deportations, nothing should be done where people have resided in this country for a period longer than five years. A ten-year residence is too long a period because, as I pointed out before, a person who comes here from the continent of Europe can become a naturalized citizen after five years, and then that person is not deportable. I believe those who come here from Great Britain ought not to be in a less favoured position than those who come from other parts of the continent of Europe. Consequently, while I am in favour of the principle underlying the bill as introduced by the hon. member for Winnipeg North Centre, I think if we had a declaration of policy on the part of the government, it might carry out this purpose for which this bill has been introduced.

Mr. A. W. NEILL (Comox-Alberni): While I am in sympathy with the general purpose of the bill, there are certainly some drawbacks to its passing in its present form. From time to time we see in the paper a report indicating that the "brutal government" or the "brutal Immigration department," as it is described, have deported a number of people. We always see, in big letters, so to speak, the deportee's side of the case. He has been deported; he is not particularly pleased with the country that is throwing him out, and he is not especially scrupulous in regard to the statements he makes. On the other hand, the government, for reason, does not rush into print and publish the department's side of the case. It is only from a spirit of humanity that they do not wish to inflict this greater publicity upon people who certainly are always deported for some cause. The consequence is that public sentiment is aroused in many cases in favour of the deportee, whereas if the truth were known, there would be no sympathy whatever. I had a number of these cases explained to me a few weeks ago, and the reasons given were certainly such as fully to justify deportation in every case. In nearly every instance the original trouble with these men or women who are deported is that they obtained entrance into this country by deliberate misrepresentations accompanied on many occasions by false affidavits. I heard of a case where an epileptic child three years old was brought into the country. No reasonable doctor who would make a hurried

examination when the child was taken off the ship could detect that the child was subject to epileptic fits. As a matter of fact when the examination was made it may have been asleep. The child was said to be only eleven months old, as was borne out by its general appearance, and gained entry into the country under false pretences. After the child had been allowed in the discovery was made that it was subject to epileptic fits which as time went on became of a more serious character. Some years later the child was deported. In such a case is there any reason why this country should be saddled with the maintenance for life of such an individual who deliberately broke into this country or got in by fraudulent representations made on its behalf?

Then there are cases where a man does not accidentally come under the provisions of deportation, but deliberately, fraudulently and with full knowledge of the law lies himself into the country. I have nothing to say against the second clause of the bill, which provides that no immigrant with a previous residence here of ten years shall be refused reentry into Canada by reason of his absence from the country. There are a large number of criminals in Europe, sometimes conditions get too hot for them; they have to come over here and they secure entry by false pretences. Although they may have broken the law they may manage to keep clear of it for a period of ten years, and if they escape that long we cannot do anything with them. Obviously we do not want to encourage that class of people to come to Canada.

The first section of the bill applies not to aliens only, but to "an immigrant." If such immigrant becomes naturalized he cannot be deported. Therefore it should apply only to aliens, although the wording is "immigrant" and that might be held to apply to someone other than an alien. As an illustration I would point out the practice of the insurance companies. An insurance company insures a man's life for a long period of years. On the application for insurance the insured makes certain statements. The policy does not state that if he is not caught making a false statement in one, two, five or ten years he will be cleared of responsibility. The man dies when he is ninety years old and if it is found that he made a deliberate, material and wilful misstatement in his application his insurance policy is liable to become void. If insurance companies are as particular as that we might do well to follow a similar practice in relation to immigrants.

Then there is the question of orientals coming into Canada. Some years ago we passed an act prohibiting the immigration of Chinese labourers. A registration system was put in force whereby within a certain time every Chinaman in the country had to be registered. It was discovered that many of them had come in illegally. When an attempt was made to check up and to register their names, where they had come from and on what boat they had come to Canada, it was discovered that a number had come in illegally by faking passports and by other false means. The ages appearing on some of the passports were obviously incorrect. While the situation was remedied at the time in regard to Chinese, it was not improved regarding Japanese. When Japanese go back to their own country on a visit they have to obtain a passport or certificate from this country before leaving. When they apply for a certificate their record of entry is investigated, the time they came and how they came, and if it is found they obtained entrance illegally, even although they are British subjects, they can go away if they like but cannot return. Surely that is a desirable arrangement, because undoubtedly there has been a good deal of abuse of what was known as the gentleman's agreement in connection with Japanese.

To my mind the general spirit of the proposed bill sponsored by the hon. member for Winnipeg North Centre is one with which all members must be in sympathy, but before the bill is passed in its entirety it ought to be sent to a committee for further investigation.

Hon. W. A. GORDON (Minister of Immigration): This bill constitutes a very radical departure from the immigration laws which have been on the statute books of this country for a great many years. As the language indicates, the bill contemplates that mere residence in Canada renders the person incapable of deportation. I have sympathy with the views expressed by the hon. member for North Winnipeg (Mr. Heaps) in the matter. I sympathize with those who happen to be in trouble or suffering affliction, and it is unfortunate that under the provisions of our law we find it necessary on occasions to cause the deportation of offenders to their countries of origin. I have a great deal more sympathy however for those who were born in Canada or came here legally and have a legal right to remain, and it is for their protection that the law stands in its present form. It may be said that at times the administration of the act is unduly harsh. From time to time cases have been discussed in the

public press in connection with which it is alleged mistakes have been made. I am not by any means prepared to admit that mistakes have occurred,—if the records were searched the facts might be found to indicate the contrary—but if mistakes have occurred in connection with the deportation of people who have no right by law to remain in Canada the number of such cases is negligible having regard to the total number of cases so dealt with by the administrative officers of the department. The present bill if passed would render almost ineffective the provisions of section 3 of the Immigration Act. In order that the meaning of the section may be impressed upon the minds of hon. members I shall take the liberty of reading it. Dealing with prohibited classes the section reads:

No immigrant, passenger or other person, unless he is a Canadian citizen, or has Canadian domicile, shall be permitted—

At this point may I interject that my hon. friend from North Winnipeg made a mistake, no doubt unintentionally. He is wrong when he says that a British subject legally entered into Canada can be deported after residence in this country of five years. That is not correct. He is just as free from deportation as is anybody else.

Mr. HEAPS: No, I said a person entering this country who became naturalized after five years.

Mr. GORDON: They cannot be deported unless they have contravened some provision of the Narcotic Drug Act.

Mr. HEAPS: After a citizen of Europe has been here for five years and become naturalized, is he still subject to deportation?

Mr. GORDON: Only if he contravenes the provisions of the Narcotic Drug Act, as far as my recollection serves me at the moment.

Mr. HEAPS: But in no other event can he be deported?

Mr. GORDON: I do not think so.

Mr. HEAPS: Then there is discrimination between such naturalized aliens and the British born.

Mr. GORDON: Not at all. If a British born person legally enters Canada and resides here for five years and acquires Canadian domicile, he is just as free from deportation as the Canadian-born. This section continues:

—or has Canadian domicile, shall be permitted to enter or land in Canada, or in case of having landed in or entered Canada shall be permitted to remain therein, who belongs to any of the following classes, hereinafter called "prohibited classes"—

[Mr. Gordon.]

Now, this bill if passed in its present or in any other form having the same effect would destroy the purpose of the section that I am now quoting after the immigrant has resided in Canada for a continuous period of ten years. These are the prohibited classes:

(a) Idiots, imbeciles, feeble-minded persons, epileptics, insane persons, and persons who have been insane at any time previously;

That is, previously to their entry.

(b) Persons afflicted with tuberculosis in any form or with any loathsome disease, or with a disease which is contagious or infectious, or which may become dangerous to the public health, whether such persons intend to settle in Canada or only to pass through Canada in transit to some other country: Provided that if such disease is one which is curable within a reasonably short time, such persons may, subject to the regulations in that behalf, if any, be permitted to remain on board ship if hospital facilities do not exist on shore, or to leave ship for medical treatment;

(c) Immigrants who are dumb, blind, or otherwise physically defective, unless in the opinion of a board of inquiry or officer acting as such they have sufficient money, or have such profession, occupation, trade, employment or other legitimate mode of earning a living that they are not liable to become a public charge or unless they belong to a family accompanying them or already in Canada and which gives security satisfactory to the minister against such immigrants becoming a public charge;

(d) Persons who have been convicted of, or admit having committed, any crime involving moral turpitude;

(e) Prostitutes and women and girls coming to Canada for any immoral purpose and pimps or persons living on the avails of prostitution.

(f) Persons who procure or attempt to bring into Canada prostitutes or women or girls for the purpose of prostitution or other immoral purpose;

(g) Professional beggars or vagrants;

(h) Immigrants to whom money has been given or loaned by any charitable organization for the purpose of enabling them to qualify for landing in Canada under this act, or whose passage to Canada has been paid wholly or in part by any charitable organization, or out of public moneys, unless it is shown that the authority in writing of the deputy minister, or in case of persons coming from Europe, the authority in writing of the assistant Superintendent of Immigration for Canada, in London, has been obtained for the landing in Canada of such persons, and that such authority has been acted upon within a period of sixty days thereafter;

Then the section specifies other persons who are prohibited immigrants, and whose entry into Canada cannot be permitted by the exercise of any discretionary power by the minister or by council because of the statutory prohibition. Now, the effect of this bill from one angle is simply that people of these prohibited classes who enter Canada and whose condition, physically or mentally, or whose past record is unknown to the immigration authorities, and continue to live

here for ten years, cannot be deported to their country of origin. I do trust, and I feel, that this house will deal with all matters of immigration from a dispassionate, non-political standpoint; for I am afraid that probably in the past—and I am not charging any one political party or any one government—I am afraid that in the past there has been a tendency at times to forget the supreme importance of seeing that the population of this country is kept clean. That is the business of government. I may be charged with being too harsh in the enforcement of the law, but if we divest ourselves of the right to deport those who introduce themselves into Canada against our immigration law, then we have taken a step which, I am sure, we shall deeply regret.

Now, the first paragraph of the proposed amendment provides that immigrants who have completed ten years continuous residence in Canada shall not thereafter be liable to deportation. If this becomes law it would be impossible to deport the most undesirable aliens who succeeded in entering Canada illegally, provided they did not come under the notice of this department until after ten years continuous residence. For instance, a criminal who entered illegally and after five years residence was convicted of a serious crime involving a sentence of over five years, could not be deported if the proposed amendment becomes law, because part of his residence in Canada would be spent in a penitentiary. It may be that the sponsor of the bill did not foresee what might follow the adoption of this subsection, but it is obvious that that would be its effect. Under the act as it now stands such a person cannot acquire domicile irrespective of the period of residence in Canada, and therefore would be subject to deportation.

I believe that a further effect of this proposed amendment would be that aliens convicted of infractions of the Narcotic Drug Act could not be deported. Anyone who has had experience in dealing with cases under that act know very well with what facility addicts can hide their real condition, and they will succeed in doing so for years until the drug has made such inroads on them mentally and physically that their failing becomes apparent. From that angle again I submit that this bill should not pass in its present form, or in any other form which would take away from those charged with the administration of the law the right to deport people of that character. A large number of people who have been resident in Canada over ten years are deported from time to time to their country of origin by reason of their contravention of the provisions of the Narcotic Drug Act. The adoption of this bill would divest us of the right to take such action. In a word, the proposed amendment wipes out one of the most important protective features of the act. Any addict who procured entry into Canada, and remained here for the time contemplated by the bill, could continue here and we would have no recourse.

I do not want to labour this point just now, I hope to take it up later in the session, but it is important that we should retain this right of deportation. No one likes the work of deporting people because they are mentally defective or for some other reason less than I do. It is not a pleasant task, as I am sure those who have preceded me in the administration of this department will readily admit.

Mr. STEWART (Edmonton): Hear, hear.

Mr. GORDON: My hon. friend says, "hear, hear"; at least I can expect a good deal of sympathy from him. When we in this parliament exercise the right, which is vested in us under the British North America Act, of encouraging new people to come to Canada, we undertake a considerable responsibility. Let me make myself abundantly clear; we have attracted to this country splendid people of all races, people who will be an honour to Canada, and who to-day are an honour to this country. At the same time, however, I am afraid we have within our bondaries many people who, under a system of careful selection and a proper immigration policy, never would have been permitted to enter Canada.

When migrants become mental cases in Canada, who has to take care of them? The federal government does not take care of them; their care falls upon the municipalities and the provinces. The provinces have expended millions upon millions of dollars for the care of these people. The province of Ontario, with which I am most familiar, has invested some $38,000,000 of capital and expenditure in institutions to take care of the sick and afflicted. A great burden is cast upon the people of that province by reason of the mental cases that have been induced to come to Canada by the federal government. Therefore I say when we come to consider an amendment which will have the effect of divesting us of our right to return to the country of origin those prohibited cases who come to Canada, we must consider adopting a course that may easily result in casting a further burden upon the provinces and muni-

cipalities which have nothing to do with attracting those very people to Canada.

I do not think this parliament should take any such step. During the course of the administration of the act, and particularly at such times of depression as these, which tend to bring out in bold relief matters that in more normal times would be dealt with and passed by as commonplace, it is very necessary to have no maudlin complex. Our great neighbour to the south has many thousands of cases with which the Department of Immigration is dealing every day, who, if we let down the bars, would be sent to Canada where they have no right to come. At times there are occasional cases which get into the press. I should like to say to those who represent the press here that while at times they have been just a little bit caustic with respect to the course I have had to adopt in certain cases, yet in the main I compliment them upon the way they have treated the department with respect to the administration of this most difficult statute.

My hon. friend from North Winnipeg has referred to some cases in which a hardship would appear to have been occasioned. I cannot call to mind at the moment any such case which has not been reviewed, not hastily by an officer at the border, but by a board of inquiry, where evidence has been taken under oath, and frequently an appeal has been referred to myself. I have under my hand cases which have been reported in the press, and I must say that the hon. member for Comox-Alberni is quite right when he suggests that for reasons of humanity the department has been reluctant to publish the names of the relatives of the persons concerned, or the details of these matters. It would only add to the misery of those who have suffered enough by reason of having to lose one of their family. There are very few cases where the relatives are not entirely satisfied that the deportee be returned to the country of origin, and that happens daily. It does not happen in Canada in the same percentage by any means as it happens in the United States of America.

It is not my purpose to discuss immigration matters at length at this moment, though I could continue for some time. However, I would ask the sponsor of this bill to review very carefully the effect the adoption of the bill would have, and to study and weigh very carefully the extent to which it takes away from the administrative officers of the Department of Immigration the power to deal with cases which may arise from time to time. The question is whether we should divest those who are administering the laws of this country of the power to get rid of dangerous undesirables, no matter how long they have lived in Canada.

Mr. NEILL: Will the minister allow a question before he finishes? Would he mind saying a few words with regard to subsection 2, which seems to have some merit, and which seems more free from the objections he has taken to the principle of the bill?

Mr. GORDON: I thought I had conveyed the idea I had in mind without dealing separately with the two subsections. Subsection 2 provides that no immigrant who has resided in Canada for a continuous period of ten years, and who leaves voluntarily to reside elsewhere on the continent of North America, shall be refused reentry by reason of such absence. In my view this suggested amendment has little effect, if any, on the Immigration Act as it now stands. Absence from Canada does not create any disability on the part of a person desiring to return. It merely places the person back in the position he occupied when he applied for admission originally.

Mr. NEILL: But possibly the law may have been changed since he left.

Mr. GORDON: That may be so, and with all respect, I think that is as it should be. If we were to adopt a law which would make our country, with all its advantages, available at all times to all persons during good times; which would let them drift into another country when perhaps we would do well to have everyone of courage remain here, and encourage them to drift back when things have returned to normal, I think that would not be a desirable provision in any law of this country.

I do not know that I can add more to what I have said. Any general discussion of immigration I should prefer to postpone until some time later in the session.

Mr. S. W. JACOBS (Cartier): With a good deal of what my hon. friend the Minister of Immigration (Mr. Gordon) has said, I am in agreement. I think it would be a dangerous thing on the part of parliament to agree to the passing of this bill in its present form. The minister enumerated the prohibited classes who would get relief were this bill to become law. I do not think there is any member of this house who wants that class of person in this country. We do not want people who are in the habit of taking narcotics; we do not want people who live on

the proceeds of prostitution, and so forth. We want to keep this country clean. If there is anything of that kind going on, we have, I suppose, to maintain laws for the purpose of seeing that it shall be restricted to our own naturalised or native-born Canadians. We should not in this respect have free trade with the rest of the world.

There are, however, a number of cases in which, in my opinion, the Immigration department should not enforce such harsh rules as they are doing at the present time. I have customs cases in mind. For instance, a man will be arrested for having contravened the Customs Act; he is sent to gaol and immediately upon his release he is ordered deported. Well, under our system of civilization as at present constituted, we do not look upon customs offenders as criminals of the most hardened type. Nelson's rule applies today as well as at the time of the battle of Trafalgar: "England expects every man to do the duty". And when you get people who are not accustomed to our laws, people who are not brought up to them in the way we have been, a little lapse from "duty" sometimes ought to be overlooked by the department in its Christian charity. I have in mind a case of that kind where a man, after serving a short time in prison, was released. In fact, he was considered to be an offender in whose favour there was something to be said, and he was released before the time fixed by the court. Upon his release he was forthwith sent back to Czechoslovakia or Austria, the country of his birth. I do not think that man did any worse than many Canadian citizens have done. I do not say we ought to indulge in the habit of "doing" the customs, but there are numbers of people, respectable members of society, who do; and yet they are not looked upon as criminals.

With regard to insane cases, I am against any law which would permit our already overcrowded asylums to receive more people. We have a sufficient number of insane, of imbeciles and idiots and others of that kind in this country for the necessities of our population, and if we have not, we can grow them here. But to hold out the hand of fellowship to an insane person is going a little too far, and I am strongly against letting down the bars in cases of that sort. I know that in many cases insane people have been permitted to come here—cases in which it would be a great hardship to deport them afterwards, the entire family may be already resident in this country when one of them develops insanity. It would be a very harsh thing to deport that person, probably a child of tender years, necessitating the return of the mother with it. It would break up the family. In cases of that kind where representations are made to the department and a bond is given that the person concerned will not become a public charge and that the cost of maintenance of that insane person will be met by the family, they are allowed to place the patient in an asylum and nothing more is heard of the matter. In that connection I may say that the Jewish Immigration Aid Society, the Federation of Jewish Charities of Montreal, Toronto and other cities, invariably, when cases of that kind occur, give the necessary bond to the department, and when that is done the department is prepared to see that the family shall not be broken up in the way I have indicated. I know of dozens of cases of that kind, and I can proudly say on behalf of my people that there is not a single case in the whole dominion which we have brought to the attention of the department where they did not concur in our request and allow the party to remain in Canada on our giving the necessary bond. Where the family could not provide the bond, the charitable societies I have mentioned have seen that it was done. So that we have no complaint against the department on that score; we have always received fair treatment from them. In many cases however they have not permitted persons whom I have considered proper immigrants to come into the country, because they did not wish to overload the quota with our people.

I should like to see some relief granted to those persons mentioned in paragraph 2 of the amendment. It does seem to me that the mere fact that a person who has lived in Canada ten years, goes to some other country and finds it not what its press agent said it was, should not prevent his coming back to Canada. In the first place that person has had the experience of ten years in this country, associating with the salt of the earth such as we are. That ought to be counted unto him for righteousness. He has been here ten years, knows something of the country, and has gone farther and fared worse. He would make the best sort of citizen and I think he should be allowed to come back. Yet the very fact that he has gone away, that he has committed the unpardonable sin of leaving Canada to see whether he could better his position elsewhere, puts him in the class that precludes his coming back. We have spent tens of thousands of dollars for the repatriating of large numbers of people resident in the New England states. Those people have come back and all kinds of celebrations have taken place to welcome the return of the prodigal; everyone was de-

lighted to take part. Now when a case of the sort mentioned in the bill occurs the opposite takes place, and the party not only is not welcomed but is met at the border by an immigration officer in brass buttons and told that he cannot come into this country at all. It does seem to me that the fact that he has lived ten years in Canada ought to be sufficient proof that he is fit to be in this country, and I do suggest that some attention be given by the Immigration department to the question. We are getting no immigrants at all at the present time. I am not prepared to say whether that is a good or bad policy on the part of the government. This is not the time to discuss that question; we shall probably have an opportunity to take it up later. But, as I said before, I agree with this part of the bill: that is, to keep out the prostitutes, the pimps and the drug addicts and to allow in those people who had lived here for ten years but who went away in an honourable effort to improve their position. A distinction ought to be made, and I am sorry the hon. member for Winnipeg North Centre has not made that distinction. The sheep ought to be separated from the goats; I am for the sheep every time, but as for the goats I am not going to take up the cudgels on their behalf.

Mr. WOODSWORTH: Mr. Speaker, the hon. Minister of Immigration--

Mr. SPEAKER: In accordance with the rules of the house, if the hon. member speaks now he will close the debate.

Mr. WOODSWORTH: I have not spoken as yet.

Mr. RHODES: Mr. Speaker, on a point of order may I point out that technically the hon. member has spoken inasmuch as he moved the second reading of the bill through the hon. member for North Winnipeg (Mr. Heaps).

Mr. JACOBS: By the unanimous consent of the house I think we ought to hear the hon. member.

Mr. STEVENS: Nobody is objecting to hearing him.

Mr. SPEAKER: The sponsor of the bill was represented and my first impression was that he had been spoken for, but I think in view of the fact that the hon. member for North Winnipeg has been substituted as the sponsor of the bill, it would be only fair to allow the hon. member for Winnipeg North Centre to speak in the ordinary course and not to close the debate.

[Mr. Jacobs.]

Mr. STEVENS: Mr. Speaker, I should like to point out that no one is objecting to the hon. member speaking, and it would be entirely wrong to leave an impression on the records of the house that such objection had been taken.

Mr. WOODSWORTH: Mr. Speaker, on the point of order, may I point out that I had some cases to present to the house and have not had the opportunity as yet of presenting them. My colleague was under the impression that if he did not take up this bill it would go to the foot of the list, and he therefore took the action he did; but I have not had the opportunity of saying one word upon my bill.

Mr. RHODES: Mr. Speaker, on the point of order: I rose merely for the purpose of seeing that there was a proper observance of the rules of the house. If my hon. friend were permitted to speak at this stage it would have the effect of altering the rules and permitting an hon. member to make three speeches on the second reading of a bill; he could make the first speech by proxy, then he could speak in his regular turn, and then again in reply.

Mr. NEILL: Mr. Speaker, would you please give the rule under which it is suggested that we can make speeches for each other by proxy?

Mr. WOODSWORTH: Will Your Honour rule as to when a man may speak in this house by proxy?

Mr. GUTHRIE: Mr. Speaker, had the hon. member for Winnipeg North Centre been in his place he would have moved the second reading of this bill; as he was not in his place, the bill should have stood, but by courtesy another hon. member was allowed to move the second reading on his behalf. We all want to hear the sponsor of this bill address the house, but we must recognize that we have rules and if they are to be broken I do not know where we will land.

Mr. SPEAKER: Will the Minister of Justice (Mr. Guthrie) be a little more explicit as to his idea of how the rules are being broken?

Mr. GUTHRIE: The bill would not have been read the second time in the absence of its sponsor, but by courtesy we allowed another hon. member to act for him. That member then takes the place of the mover, otherwise the bill would not have been before the house on this occasion.

Mr. SPEAKER: My intention is to allow the hon. member for Winnipeg North Centre to speak now not as the sponsor of the bill but as a member of the house speaking on the bill. As sponsor of the bill he has been superseded by the hon. member for North Winnipeg, who will have the right to reply at the close of the debate.

Mr. FACTOR: The debate will soon be closed anyway.

Mr. SPEAKER: Is the house ready for the question?

Mr. WOODSWORTH: Mr. Speaker, it is impossible to hear in this corner of the house, but do I understand correctly that I am to speak now?

Mr. SPEAKER: No one objects to the hon. member speaking now.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, in the two minutes left at my disposal I desire to say that I introduced this bill in order to meet, if possible, some very outstanding cases in which I think the general body of citizens of this country recognize that substantial injustice has been done. If the Minister of Immigration (Mr. Gordon) is correct that these particular amendments would make it very difficult for the department to carry on its work of protecting this country, then I should have expected that the minister would himself suggest amendments to meet the present needs. The best thing to do would be to refer this matter to a committee, but that has not been done.

In a number of cases coming before the public there has been obviously a considerable measure of injustice. There was the case which occurred on October 16, 1930, at Hamilton, where an Englishwoman who had been a resident of Canada for eighteen years, an epileptic and the mother of three children aged seventeen, fourteen and twelve years respectively, was deported. Another case occurred in London, Ontario, where an epileptic who had been seventeen years in Canada was ordered to be deported but was allowed to remain after investigation had been made. Another case occurred where a married woman, an epileptic, the mother of four children was deported after being in Canada for sixteen years.

It is quite true that these cases come within the prohibited classes and I presume that under the present legislation referred to by the Minister of Immigration these people were not able to establish domicile even although they had been in this country from fifteen to twenty years. After these people have been in this country for so long a period the home in the old country has been broken up; new ties have been formed in this country and there should be some fixed term to govern such cases. That is the purpose of the first section of my bill.

Mr. SPEAKER: The hour for private and public bills having expired, the house will revert to the discussion of the motion to go into supply.

SARNIA PORT HURON VEHICULAR TUNNEL COMPANY

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, before you leave the chair and if I am in order—

Mr. MANION: The discussion on the motion of the hon. Minister of Justice (Mr. Guthrie) had not been concluded.

Mr. SANDERSON: If I am not in order, His Honour will so advise the house, but I have consulted the Clerk of the House and—

Mr. SPEAKER: I understand the hon. member desires to make a motion in connection with a private bill. This is merely a formal matter, and he has the right to do so with the consent of the house.

Mr. SANDERSON: Mr. Speaker, I desire to move, seconded by the hon. member for North Wellington (Mr. Blair):

That the petition of John Doherty, and others, of the cities of Sarnia and Windsor, Ontario, praying for the passing of an act to incorporate the Sarnia Port Huron Vehicular Tunnel Company, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing order 92 in relation thereto.

Motion agreed to.

SUPPLY—TRANS-CANADA HIGHWAY

The house resumed consideration of the motion of Mr. Guthrie (for the Minister of Finance) for committee of supply.

Hon. R. J. MANION (Minister of Railways and Canals): When the house rose at six o'clock we were discussing the motion to go into committee of supply, and the hon. member for North Timiskaming (Mr. Bradette) had introduced the question of the trans-Canada highway. The discussion had proceeded at some length during the afternoon and he and a number of others had taken part. I do not intend at this late hour and late

period in the session to delay supply, but I believe there are a few points which should be brought out and which I shall attempt to do in a very few minutes. The hon. member for North Timiskaming spoke in a very moderate tone, and I shall copy him in that regard. He pointed out that there was a great deal of unemployment in northern Ontario, a fact of which I am well aware. But it must be remembered that the unemployment in northern Ontario is largely the result of the over-expansion of the pulp and paper industry which, to put the situation mildly, is not in a very good condition in the Dominion of Canada. My own city of Fort William and the neighbouring city of Port Arthur are to-day suffering grievously from unemployment just as are other sections of northern Ontario, of which my hon. friend spoke. Therefore I am entirely familiar with the conditions that exist in that section even though it is early summer.

The hon. gentleman suggested that in order to relieve this unemployment the government should go into the question of aiding or co-operating in some manner with the province of Ontario in building a trans-Canada highway. In a trans-Canada highway, I, like most people who live in northern Ontario, have been interested throughout. Long before we occupied these seats I put myself on record on a number of occasions, both in the house and elsewhere, as being favourable to the building of a trans-Canada highway. I realize, as the government does, the importance of highways for the encouragement of the great tourist industry, because it is really one of our industries to-day from which we profit a great deal, particularly during the summer months. Unfortunately, however, on the eastern end of northern Ontario, the section whence my hon. friend comes, there is a good deal of difference of opinion as to the route which should be followed by that trans-Canada highway. Into that controversy I do not intend to enter as I come from the western end and we have enough troubles of our own there without my dealing with any of the differences of opinion of the people on the eastern end. Therefore I shall not offer any suggestions as to what the decision should be. At the same time, as my hon. friend and others pointed out, the fact remains that there is a very strong difference of opinion as to the northern or the southern or the central route which might be followed by the trans-Canada highway across that portion of northeastern Ontario.

In the discussion this afternoon both the hon. member for North Timiskaming and the hon. member for Kenora-Rainy River (Mr. Heenan) used the argument that it has been stated by the Hon. Charles McCrea that the revenues from northern Ontario were about ten times the expenditures in northern Ontario, and they quoted a speech which he made. I do not question the quotation in the least, but I should like to point out that I have no doubt what Mr. McCrea meant was not that the government of Ontario was receiving in revenue ten times as much as it was spending in northern Ontario, because many times I have seen the contrary proven, not only by ministers of the government that is in power at the present time, but by the Hon. Harry Mills who was a minister from my city in the government of Mr. Drury and who, I remember well, gave me figures some years ago when the question came up, to prove satisfactorily to me that much more was being spent in northern Ontario than was being derived in taxes from that section. Although I have not seen the speech referred to, no doubt what Mr. McCrea meant in that regard was that there was taken from northern Ontario in timber wealth, mineral wealth, in the wealth of fisheries and so on, much more than was spent there by the province of Ontario in the development of that section. Therefore it is not quite logical to argue that because the wealth is taken from there, the province of Ontario gets it, and consequently should spend it on a road through that section. I mention this simply to clear up what Mr. McCrea meant, because I do not believe he would take the attitude that they have received ten times as much in revenue from that section as they have expended in it.

What I wish to point out particularly—and I do this in the kindliest spirit and in justice to this side of the house—is that the hon. member for North Timiskaming who introduced this question this afternoon is highly inconsistent in the attitude he takes now as compared with that which he took when he was on this side of the house supporting the government of my right hon. friend the present leader of the opposition (Mr. Mackenzie King), because not only in 1930 but in 1929 resolutions were introduced into the house by the then member for Athabaska, Mr. Kellner, distinctly advocating the spending of money by the dominion government in assisting the provinces to build roads. I have not under my hand the resolution that was moved in 1929, but that moved in 1930 is, I believe, practically the

same with some slight modifications. The principle behind both was the same. To avoid misunderstanding I shall read the resolution as moved last year. As reported at page 424 of Hansard of March 10, 1930, Mr. Kellner moved:

> Whereas the need for establishment of highways is greater than in 1919;
> And whereas in that year the dominion government recognized its responsibility in this matter by a substantial grant, which grant is now exhausted;
> Therefore be it resolved, that, in the opinion of this house, the government should consider the advisability that a further substantial grant be made to cover the next five years' development of highway construction.

That resolution was discussed very fully last year; a similar resolution was discussed very fully in 1929, and while in it he did not distinctly say that he advocated the construction of a trans-Canada highway, that was the basis of every speech that was delivered, including that of the hon. member who moved the resolution. I spoke upon the resolution last year, and I also spoke upon the one of the previous year. Every member who spoke upon it—although I have not read the speeches recently, I remember the discussion quite clearly—took the attitude that the purpose of the resolution was to a large extent the building of a trans-Canada highway. This was not contradicted by anybody at that time. Rather strangely, both last year and the year before, that resolution moved by Mr. Kellner, which in principle advocated the building of a trans-Canada highway by assistance given to the provinces by the dominion government, was voted down by a solid Liberal vote. If one cares to look up the vote in 1930—I have not looked up the 1929 vote—he will find that both the hon. member for North Timiskaming and the hon. member for Kenora-Rainy River were among those who voted against that resolution. I am not saying this in any spirit of recrimination, or with any special desire to embarrass them, but I believe these facts should be made known to the house.

Mr. BRADETTE: The hon. member is not a lawyer, but he is a good doctor. Can he find in that resolution any mention of a trans-Canada highway? I should like the hon. member to read some of the observations of the mover of the resolution.

Mr. MANION: I have not time to do so. The hon. gentleman spoke for the better part of an hour or longer and he had plenty of time to read them himself.

Mr. BRADETTE: The hon. member should be fair. He should read the remarks of the mover.

Mr. MANION: I make the statement that the then hon. member for Athabaska and practically everybody else who spoke on the subject, took the attitude that the resolution referred to the building of a trans-Canada highway. I shall not attempt to read sentences from the speech of the then hon. member for Athabaska on that subject, but I intend to read some of the statements made by certain leading members of my hon. friend's party which was then in power. It is true that neither my hon. friend from North Timiskaming nor my hon. friend from Kenora-Rainy River spoke on the question, although they voted against the resolution. I wish now to quote from the remarks of the Hon. Mr. Dunning, the then Minister of Finance:

> I think, Mr. Speaker, it is the obligation of hon. members of this house when they bring forward resolutions of this kind, imposing as they would, if implemented, a load upon the dominion treasury, to tell the house the amount of financial obligation involved in carrying into effect the terms of the resolution proposed.

A little later on I find the following:

> I cannot vote for this resolution, first, because of what I have previously stated; second, because the movers of it and those speaking in support of it do not indicate what the financial load shall be upon the dominion, nor do they indicate in the resolution any principle upon which division should be made between the provinces which are to be served by it; and, finally, because I believe this dominion has at the present time, in connection with water transportation and air transportation with its tremendous responsibility with respect to railway transportation, with the need that exists for progressively reducing her public debt and reducing taxation, plenty to take care of without going, by grace, into the field of provincial responsibility and handing out money to another authority for a purpose which is really their own.

I have read the statement of Hon. Mr. Dunning, the then Minister of Finance. I shall now direct the attention of hon. members to the remarks of the hon. member for Témiscouata (Mr. Pouliot), because he was one of the few private members of the house who spoke on the question. This leader of the Liberal party spoke as follows:

> It is rather dangerous to deal with such a delicate matter as this. I believe there is in the constitution nothing that empowers the federal parliament to approve such a resolution. Moreover, if parliament votes in favour of such a resolution, many provinces may complain that the federal government is infringing on provincial rights.

There is the old story of the British North America Act. Let me now quote one or two sentences from the speech of my right hon. friend the then leader of the government, at

present leader of the opposition (Mr. Mackenzie King). He said:

If, after federal needs are supplied, if after we have reduced some of the public debt and have reduced some of the taxation of the people of this country, we have money left that we do not know what to do with, with respect to any of our federal obligations, there will be time then to go into one or other of these numerous projects which hon. gentlemen opposite wish us to indulge in.

He closed his remarks by saying:

We will do well, I believe, in the interest of provinces and federal government alike, each to have regard to our respective jurisdictions, and not to venture too frequently beyond them in making contributions from one treasury to another in a manner never contemplated by the constitution of our land.

The right hon. gentleman gave various reasons, but I believe the quotation I have given contains the gist of his argument. The other day in the house, on another matter, he took a similar attitude, to the effect that it was not the duty of the Dominion of Canada to contribute in a general way to the various provincial projects that might come up at various times. In fact on one occasion he said that giving money to the provinces for certain reasons was a vicious principle, because, as he pointed out, the federal authorities did not have control of the expenditure of that money. I think I am quoting my right hon. friend correctly in that regard.

The hon. member who spoke first this afternoon was more emphatic during the election in the north country. I have before me a paper called The Northern Tribune, published in Kapuskasing, Ontario, and according to this paper—which I am informed is Liberal—he is stated to have called this whole resolution "clap-trap." I shall read one sentence from the editorial page of this paper of July 18, 1930.

In his public speech at Kapuskasing yesterday afternoon Mr. Joseph Bradette, retiring member for North Timiskaming and Liberal candidate for reelection, issued a sweeping challenge to anyone to prove that he had voted against the trans-Canada highway in parliament; and he twice referred to the House of Commons resolution involving that highway as a "clap-trap political resolution."

Mr. BRADETTE: Hear, hear.

Mr. MANION: The hon. member may have his own way. I have read the resolution, however, just as it was printed in Hansard, and it must be obvious to all hon. members that the intention of the resolution was to assist in the building of a trans-Canada highway.

Mr. BRADETTE: It had nothing to do with it at all.

[Mr. Manion.]

Mr. MANION: I do not wish to enter into a political argument of any serious nature with my hon. friend from Kenora-Rainy River. However my hon. friend was in the same unfortunate position so far as this resolution was concerned, because he voted with the hon. member for North Timiskaming against Mr. Kellner's resolution in 1930. I have not looked into the records to see whether he voted that way in 1929. but I imagine if he was in the house he would have voted the same way. However the hon. member was a member of the then government for at least four years, and apparently he did not find it desirable nor did he see the absolute need for the building of a trans-Canada highway. For that reason I suggest he is not in a position at the present time to twit us so early in our regime with breaking pledges. I suggest that the hon. member for—

Mr. HEENAN: I did not accuse my hon. friends of breaking pledges; I asked him to fulfil them.

Mr. MANION: Probably my hon. friend did not accuse us to-day, but on former occasions he has accused the present government of breaking pledges. Whether he did it to-day or yesterday matters not; he has done so on a number of occasions. I must say to my hon. friend that it would appear he is much more enthusiastic now about the building of a highway than he was when he was a member of the government which had the power to put such legislation into effect. I would add further that my hon. friend was a representative of northern Ontario at that time. At the present time not only is he more active in promoting the trans-Canada highway than he was when in power, but he is more active in connection with the eight hour day than he was when in power. He is much more active concerning unemployment insurance than he was when in power. I might add that the bill he has introduced this session concerning the vote of the people in the district of Patricia was introduced last year. He withdrew the bill at that time however when he could have pushed it through had the other members of the then government been standing behind him. So that it would appear that the hon. member is much more enthusiastic now about many of these questions than he was when he was in a position to put his enthusiasm into effect. I make these statements in no unkind way, because I suppose as members of an opposition we are a little less responsible than when in power. Perhaps we are much more—

Mr. HEENAN: I do not wish to interrupt my hon. friend, but I think he ought to be fair.

Mr. MANION: Yes.

Mr. HEENAN: I would remind him that the hon. member for Kenora-Rainy River when Minister of Labour did put the eight hour day into effect on all government works.

Mr. STEVENS: Oh, oh.

Mr. HEENAN: He did get his—

Mr. SPEAKER: The hon. member is out of order in interrupting.

Mr. HEENAN: I wish to say—

Mr. MANION: The hon. member did put part of the government employees on the eight hour day, but the fact remains that a great many are not working under those conditions and were not on the eight hour day during the whole time my hon. friend was Minister of Labour. It would appear that he is more anxious now to have the eight hour day enforced than he was when he was Minister of Labour. I do not dispute the fact that he brought in legislation by which contractors doing government work were instructed to put their men on the eight hour day.

Mr. HEENAN: The day that the eight hour day legislation—

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order.

Mr. MANION: Go ahead.

Mr. HEENAN: The day that the eight hour day bill became effective every employee of the dominion government working for contractors went on the eight hour day.

Mr. STEVENS: Bosh.

Mr. HEENAN: The day we introduced that bill we also passed an order in council which put every employee of the dominion government service on an eight hour day.

Mr. MANION: No, my hon. friend did not do any such thing. There was an order in council that government employees might be put on the eight hour day. As a matter of fact to-day there are many government employees who are still working much longer than eight hours each day and they were working much longer than eight hours each day during the whole term of office of my hon. friend. I pointed out the other evening that the present government was gradually placing employees under the eight hour day, but my hon. friend had four years in which to do so and moved only in the dying days of the last parliament after he had been minister for four years. Undoubtedly his action was a preelection move.

I do not think it is fair that this government should be accused of being inconsistent and of breaking pledges when as a matter of fact it has been in power only about ten months, and the government with which my hon. friend was connected was in power nine years and made no move to build the trans-Canada highway. So hon. members behind the right hon. gentleman should hesitate to find very much fault with us for moving a little slowly with respect to what is a very big undertaking. I point out on behalf of the government that the question has not been overlooked, it is under consideration, and that we hope to arrive at a satisfactory solution in due time. But I do not believe that any government that has been in power ten months should be expected to have implemented all its pledges within that time. And I submit that no government has implemented so many of its pledges within such a short time of attaining office as has the government of my right hon. leader.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, with respect to the attitude of the Liberal party while in office towards these various grants in aid to the provinces, I think the record of the party, as shown by the votes of this house, and in other ways will disclose a perfect consistency, although I am quite prepared to admit that that consistency may have been maintained at a certain political loss. Evidently at this session of parliament we shall be called upon to consider conditions not dissimilar to those prevailing at the time the Liberal party came into office nearly ten years ago, and should it involve more in the way of political loss, I for one will continue to be consistent in regard to the attitude taken at that time, because I believe it to be the only attitude which in the end is going to serve adequately to meet the needs and to serve the highest ends of our dominion and of the provinces in the administration of the various matters assigned to them respectively by the constitution.

To make clear the position of the Liberal party in these matters, may I say that when we came into office we were faced with a deficit of $80,000,000 or $90,000,000. The year before there had been an even greater deficit. It was apparent to the administration that something would have to be done in the way of effecting economies if there was to be any

reduction in the public debt and in taxation, and, I might say further, if there was to be any revival in business through the improvement of the credit of the country. The new administration surveyed the field very carefully, and decided that in one particular economies not only might be made, but should be made, namely, with respect to many of these matters in which the federal government was voting sums of money in aid to the provinces in addition to the subsidies guaranteed to them by statute in accordance with the provisions of the constitution.

Now, let me make this point perfectly clear, because my own position and that of the party has been very much misrepresented. It has been said that I have been opposed to subsidies being voted by the federal parliament—subsidies to the provinces and subsidies generally. Far from being opposed to subsidies being voted by this parliament to the provinces, I believe it is the method laid down by the fathers of confederation as the one whereby the financial arrangements in the nature of adjustments as between the provinces and the dominion should be carried out. At the time of confederation the fields of administration and of revenue were divided as between the dominion and the provinces; each was given its own particular services to perform, each the sources from which they were to derive the revenues to carry out their respective duties. As I mentioned the other day in speaking on the same subject, for purposes of adjustment, in order to effect equality as between the different provinces, it was decided that a certain sum on a per capita basis should be paid by way of subsidy each year from the federal treasury to the provinces, and the provinces were to be free to use their respective subsidies with regard to any matters that came within their jurisdiction in any way they liked.

I submit when the fathers of confederation adopted that particular method of financing as between the dominion and the provinces they meant it to be followed and to be the exclusive method. They did not contemplate that in addition to subsidies agreed upon as a result of conference and settlement of differences there should be made from time to time further special grants from the federal treasury to the provinces for provincial purposes. The hon. member for Winnipeg North Centre (Mr. Woodsworth) the other day, I think, said that under the line I had taken in speaking on some other question I would be opposed to subsidies being voted, for example, to the railways. This parliament has voted subsidies to the railways and for steamship services and the like. I am not opposed to that. Transportation in general and in connection with trade and commerce comes within the jurisdiction of the federal government, and if parliament wishes to aid transportation by subsidies it has a perfect right so to do, and no exception can be taken to such action. What I take exception to is voting grants in aid to provinces for particular services assigned to the provinces in addition to the subsidies which are determined by statute. The subsidies are arrived at as the result of an agreement between the provinces and the dominion; and when that agreement has been reached it is implemented by a statute of this parliament, with the result that moneys paid are known in their entirety and definite in amount.

What is the effect of that? One effect is this, that it precludes political parties from seeking to gain political advantage through an appeal to the electorate of the provinces for their support, on the understanding that if returned to office grants in aid in addition to the regular subsidies will be given from the federal treasury to the provinces. I need not remind the house of the extent to which that practice was followed in the last campaign—the practice of promising the provinces that if they would support hon. gentlemen opposite they would receive grants in aid for all kinds of purposes from the federal treasury. I refrained from making a single promise of the kind, and I maintained that position in order to be consistent with the attitude I had taken all the time I was in power. I did so, because I believed it to be the the only right attitude to take in regard to the finances of the country. Where aid is confined to subsidies fixed by statute the only appeal that can be made politically on such a score would be that if returned to power the particular party making the appeal would increase all the subsidies of the provinces. Would anyone think of making an appeal of that kind to the electorate of any province? There is not an hon. member who would dare do it. But what is the difference between making an appeal to the electorate of provinces for their support through promising that if returned the party will increase the subsidies of all the provinces, and promising grants in aid in addition to the subsidies provinces are already receiving? I think that is perfectly clear. I feel very strongly that to make appeals to the electorate on the basis of grants in aid in addition to subsidies, is a very dangerous political method for any country to begin to follow. Where is it going to end? It was started on an unexampled scale during the last campaign; it will be repeated

in the next; and if it is going to be followed by hon. gentlemen opposite in regard to aids to highways, and other services that may appeal to them I would remind them that there are other groups in the house prepared to make grants in aid apply to many things that hon. gentlemen opposite would not be prepared to support, and who will be prepared to make their voices heard to that end.

Mr. MANION: It is started to-day by my right hon. friend's supporters.

Mr. MACKENZIE KING: No, I will tell my hon. friend where it started. The question I am now asking is: Where is this method going to end if it once becomes the accepted practice? My hon. friend the Minister of Railways (Mr. Manion) said that it commenced with "hon. gentlemen opposite."

Mr. MANION: I said to-day it did.

Mr. MACKENZIE KING: I beg my hon. friend's pardon. I thought he referred to the practice of making grants in aid to provinces in addition to subsidies fixed by statute.

Mr. MANION: No.

Mr. MACKENZIE KING: The practice of making grants in aid in addition to the subsidies to the provinces began in 1913 under the administration of that day, when a grant was made for the advance of agricultural instruction. The first payment under the act was in 1914, the last in 1923, and there was a special vote in 1924. Between 1914 and 1924 a total of $10,900,000 was voted by way of grants in aid of agricultural instruction.

Under our constitution the provinces have the duty of advancing agriculture, and in particular agricultural instruction. We in this parliament have a similar duty with respect to agriculture. I submit that when the fathers of confederation gave jurisdiction both to the provinces and to the dominion with respect to agriculture, they expected the provinces and the dominion respectively to meet whatever they needed in the way of expenditure on those services from revenues which they raised themselves. It was never contemplated that, this federal government having the duty of furthering agriculture, and the provinces having a like duty with respect to agriculture, the federal treasury would meet any part of its obligation or any part of the obligation of the provinces by giving additional sums to the provinces in the nature of grants in aid in addition to the subsidies which the provinces would receive and would be free to use as they deemed best. I imagine that if agriculture had not been mentioned as a subject in which both the provinces and the dominion had jurisdiction, the government in office in 1913 would have hesitated to adopt a different principle from that previously followed. I have not had time to look up the debates, but I feel pretty sure that they will disclose something to the effect that agriculture, came within the respective jurisdictions of this parliament and of the provincial legislatures, and that therefore it would be quite proper, in respect of agriculture, for this dominion to assist the provinces, in addition to what was given them by subsidies, by a special grant in aid of agriculture.

Mr. MALONEY: Mr. Speaker, I hesitate to interrupt my right hon. friend, but perhaps he would allow me a question. Being so opposed to federal subsidies of all kinds, I should like to ask him why, as Prime Minister, with his party following him, he was so anxious to claim credit for the old age pension law, under which the dominion made a contribution to the provinces of 50 per cent of the cost in connection with the payment of old age pensions?

Mr. MACKENZIE KING: If my hon. friend will just allow me time I will answer the question. I am taking up this matter, not I hope in any too partisan a spirit, but rather with a view of helping to make clear in the minds of hon. gentlemen on all sides of the house what really is fundamental in this question, regardless altogether of what may have taken place in the past. I am quite prepared, when the time comes, to take my responsibility for part of what was done, but now we are at the beginning of a new parliament and we are faced, as a parliament, with a pretty serious financial situation which has to be met. I think the time has come when hon. gentlemen should seek to meet the situation in exactly the way the Liberal administration sought to meet their problem when they came into office, a problem very similar to the one existing to-day, and one which I am happy to say was met thereby with a considerable degree of success.

As I have said, the Agricultural Instruction Act was the first passed in 1913. It made provision for a grant of $10,000,000 for a period of ten years. There was an additional supplementary vote of $900,000, so that altogether the provinces were given $10,900,000 on that score. The next grant in aid made to the provinces was under what was known as the Employment Offices Coordination Act, passed in the year 1918. This was to aid and encourage the organization and coordination of employment offices. Under that act $150,000 was to be given annually to the several

provinces in addition to their subsidies, and up to the present time under that act the amount of $2,183,016 has been paid to the provinces in addition to what they were receiving under their regular subsidies.

Here again I think one of the factors entering into the situation was the fact that we had a federal Department of Labour and also provincial departments of labour, and it was felt that a coordination of one phase of the work along such lines would serve a useful purpose. But there was another reason which I feel sure was even stronger and which hon. members will recognize at once as being perhaps a sufficient excuse at that time. This was the period just at the close of the war, in 1918, when large numbers of men were returning from overseas to be reinstated in civil life. Part of the duty of reinstating these men was an obligation which this federal government had assumed, and I have no doubt that the members of parliament of that day felt that by taking this course, by voting additional amounts, grants in aid, to the provinces, they would be helping fulfil their own obligation as well as helping to meet the additional burden which in this connection would suddenly be placed upon the provinces.

In the next year, 1919, the third act in the nature of a grant in aid to the provinces was passed by parliament. It was the Canada Highways Act, 1919, to encourage the construction and improvement of highways. The first payment under its provisions was made in 1921, and the last payment in 1928. Altogether, the sum of $20,000,000 was provided by that act, and the $20,000,000 paid under that act to the provinces, was again in addition to the amount they were receiving in subsidies. I am sorry the hon. member for South Winnipeg (Mr. Rogers) is not present; I think he was in the house and a member of the government when that act was introduced, and if I am not mistaken he mentioned at the time that one reason, among others, why this parliament was embarking upon grants in aid to the provinces for highways was the large number of unemployed there would be in Canada for a number of years succeeding the war, and it was felt that work would be afforded returned soldiers by the construction of the highways. That was one of the reasons given, and it was one of the reasons why parliament at that time passed that act.

Then in the same year, 1919, the Technical Education Act was passed, providing for the expenditure of $10,000,000, over a period of ten years, for the promotion of technical education in Canada. The first payment was made in 1920, and up to March 31, 1931, an amount of $8,769,284 had been paid to the provinces under that legislation. I will say something more about that when we come to the technical education measure at present before the House, but at the moment I simply want to place on record the sum which has been paid to the provinces in grants in aid under this heading. In addition to the grant I have mentioned, there have also been special grants passed since 1920 to assist the provinces in combating venereal diseases. These appropriations have totalled the sum of $1,622,849.

In 1920 there appeared for the first time, under grants in aid from the federal treasury, a sum to provide for the relief of unemployment. Under that heading, to March 31, 1931, the total paid was $1,845,600. In addition there is the $20,000,000 which was appropriated at the last session of parliament.

Now we come to the question of old age pensions. A measure was introduced in 1927 which provided for the payment on old age pensions account of half the amount paid by the provinces. The first payment was made in 1928, and up to March 31, 1931, there had been paid from the federal treasury towards the old age pensions paid by the provinces, the sum of $8,159,455. In answer to my honourable friend who asked me why the Liberal administration took credit for that measure, I would say that credit was taken for the reason that the Liberal administration introduced the measure. The Liberal administration fought for many years for an old age pension act, and care I think was taken to make it clear that an amendment to the British North America Act would be required before this federal government would have power to administer an old age pension scheme. It was recognized that an amendment to the British North America Act would take some time, and for that reason the government of the day adopted the method of agreeing to give these grants in aid to the provinces on condition that they would carry out a scheme framed by the federal government which would be similar in all the provinces.

An hon. MEMBER: A vicious principle.

Mr. MACKENZIE KING: The principle, from a financial point of view, was unsound. I am quite prepared to concede that. But I will go a step further and say that, in my opinion, this parliament ought to remedy the unsoundness of the principle, not by discontinuing to vote money for old age pensions, but by assuming the entire obligation, one hun-

dred per cent. This government should take over the whole scheme and itself pay out the money. That is the position that should be taken; that is the proper way to remedy what there is of unsoundness in the principle.

Mr. CHAPLIN: That is an extension of the vicious principle.

Mr. MACKENZIE KING: No; on the contrary, it is getting rid of what is vicious. I wish my hon. friend to follow me in this. The principle of old age pensions is a thoroughly sound one. The hon. gentleman may never have to receive a pension, but no doubt he knows of a good many people who, after a life of severe toil, are in dire need and most deserving of such assistance on the part of the state. Obviously the principle is thoroughly sound. I have always taken that position and have fought strenuously for it; and to get that principle recognized by parliament I was prepared to go so far as to support a grant in aid, which I am perfectly frank to admit was, from the point of view of financing, an unsound method. Now I say, let us recognize that the principle of old age pensions itself is perfectly sound and involves an obligation which the federal parliament should assume. Let us undertake to administer the Old Age Pensions Act from Ottawa and have all the moneys which are necessary for the payment of those pensions voted by this parliament. But let this parliament control every dollar of expenditure in connection with the administration. The principle that is unsound—and it appears in the budget speech delivered in this house yesterday by the Prime Minister—is that this parliament should vote seventy-five per cent of the moneys necessary to pay these pensions without having any control over this vast expenditure beyond that of simply handing the cheques for total amounts to the provinces to deal with as they see fit. That is not a sound principle of financing; and no one, I believe, has uttered words in that respect more eloquent, more emphatic, or more logical, than the present Secretary of State did in a speech which he made in this house not very long ago with regard to old age pensions. I agree entirely with what he said in that respect. The body providing the money should be the one to control its expenditure.

The list cited comprises practically all the more important grants in aid from this dominion to the provinces. The figures I have quoted—and they do not give all the expenditures to date—amount to a total of $57,911,259. That is what has been spent practically within a period of ten years in grants in aid to the provinces towards the few services I have mentioned, all of which services it was agreed at the time came within the purview of the provinces themselves. How much has the dominion paid to the provinces in the way of subsidies over a like period, say the last ten years? I regret I have not the figures here—I thought I had them; but it will be found that the subsidies under the statutes amount to a little more than double that sum—something like $150,000,000. That, roughly speaking, is what has been paid to the provinces in subsidies in a period of about ten years.

I ask hon. gentlemen opposite to consider this question: Do they for a moment believe that the fathers of confederation would ever have made provision for the payment in ten years, from the federal treasury to the provinces, of the sum of $150,000,000 or whatever the amount may be, with the knowledge that half that amount in addition would be voted by parliament in the way of grants in aid to be paid at the same time from the federal treasury to the provinces? One has only to consider these figures in such a relationship to realize how farreaching and how far from the original mark the whole practice is becoming. Here, with the permission of the house, I should like to insert, in the form of a table, the statistical data I have just given:

Federal Grants in aid made by the Dominion to the Provinces in addition to annual subsidies provided by Statute

Statute	Object	First Payment	Last Payment	Provision	Expended to March 31, 1931
				$ cts.	$ cts.
Agricultural Instruction Act, 1913.	For the advancement of agricultural instruction.	1914	1923	10,000,000 00	
(Special Vote 51, 1924).....	.....	1924	.....	900,000 00	10,900,000 00
Employment Offices Co-ordination Act, 1918.	To aid and encourage the organization and co-ordination of employment offices.	1919	.....	150,000 00 annually.	2,183,016 00
Canada Highways Act, 1919..	To encourage the construction and improvement of highways.	1921	1928	20,000,000 00	20,000,000 00
Technical Education Act, 1919. (Extended 1929 to 1934.)	For the promotion of technical education in Canada.	1920	.....	10,000,000 00	8,769,284 00

Federal Grants in aid made by the Dominion to the Provinces in addition to annual subsidies provided by Statute—Con.

Statute	Object	First Payment	Last Payment	Provision	Expended to March 31, 1931
				$	$ cts.
Special Annual Vote.....	To combat veneral diseases..	1920	.....	1,800,000 (total appropriation.)	1,622,849 00
Special Votes prior to 1930....	To provide for the relief of unemployment (Labour Department).	1921	.....	.....	1,845,000
Special Vote, 1930.....	To provide for the relief of unemployment.	.....	.....	20,000,000	4,431,655 (Total Dominion commitments to Mar. 31: 14,842,962)
Old Age Pensions Act, 1927...	To pay half the amount paid by provinces, towards Old Age Pensions.	1928	.....	No fixed amount.	8,159,455 00
Total.....	.....	.....	.....	.....	57,911,259 00

But while these grants in aid to the provinces have been increasing in this way, the provinces themselves have been taking advantage of new sources of revenue, sources of which they never dreamed at the time of confederation, sources which this dominion has left exclusively to them. Take, for example, the question of liquor control, the sale of liquors. The provinces derive very large revenues from this source. Then there is the inheritance tax, another source of revenue not thought of at the time of confederation, and one from which the provinces obtain considerable sums. Again, there are motor licences from which very appreciable revenues are secured. And there are other sources of revenue which I am sure will suggest themselves to hon. gentlemen. I might mention, as another, the revenues derived from hydro-electric power. All these are sources of revenue which the provinces to-day enjoy to the exclusion of the federal treasury; and in addition thereto, with revenues derived from many other sources, they have the subsidies which this dominion votes year after year under statute.

The Prime Minister yesterday in his budget speech drew attention to the fact that the federal government had lost considerable revenue through the recent transfer of natural resources to the provinces. In other words, we have yielded to them, in addition, revenues which formerly we ourselves enjoyed. One has only to reason the matter out to see where this dominion is going to find itself in the matter of debt and taxation, while the provinces are being thus relieved and assisted. We are going deeper and deeper into debt to help relieve their situation. As their situation improves our own is becoming deplorably worse. While the provinces have these additional sources of revenue to draw upon, our sources are relatively fewer, notwithstanding that our obligations are increasing in a way never dreamed of at the time of confederation. Read the Prime Minister's speech of yesterday with respect to the outlays of this present government for expenditures which it cannot control. The first one amounts annually to around $125,000,000, interest on public debt. Most of that amount is due to the vast expenditures in the period of the war. Come next to the pensions bill. I cannot recall the figures at the moment, but they run into many millions—$55,000,000 annually, an hon. member says. That money this parliament has to provide. I might mention others, but these perhaps are sufficient to give some indication of the obligations that have arisen from the war.

Now, can any hon. gentleman name a single service of this dominion government to which the provinces have contributed one dollar? The provinces contribute nothing to our necessities. They are making no grants in aid from their treasuries towards the vast obligations which have suddenly fallen to this parliament to provide for in addition to all the other expenditures which the federal treasury must bear. So far as the federal government is concerned, there are many services which can be carried out only from a federal point of view and which are being denied the people to-day on the score that we have not enough money to provide those services. Hon. gentlemen will recall what was said yesterday in regard to the air mail and the carrying of mails—an obligation on the federal treasury. Yet we are told that this development, which is one that can be undertaken only by the federal government, must be proceeded with slowly and with caution, if indeed it is not

to be abandoned in part, because we have not the money with which to carry it on. On the other hand, we find the postage rate on letters increased from 2 to 3 cents, a part of which increase goes to make up payment of these very grants in aid paid to the provinces in addition to the regular federal subsidies. When one stops to reason it out one soon perceives the wisdom of the course which the Liberal party pursued while in office and which it is continuing to follow to-day. Let me give a figure or two to show what the dominion in addition has been doing in the relief of unemployment among returned soldiers.

Table showing additional payments from Federal Treasury on account of unemployment relief and pensions

Statute	Object	First Payment	Last Payment	Provision	Expended up to March 31, 1931
				$	$
Special Annual Vote.....	To provide for the relief of unemployment (Pensions and National Health).	1920	.....	.....	7,452,763
Pensions Act, 1916.....	.....	1917	.....	.....	452,225,122
Total.....	.....	.....	.....	.....	459.677,885
To this should be added Loans on Housing.	To encourage the erection of dwelling houses.	1920	1924	25,000,000	23,500,000 10,600,000 still owing

An act was passed to provide for the relief of unemployment, which act is being administered by the hon. Minister of Pensions and National Health (Mr. MacLaren), and under special annual votes there has been paid under its provisions the sum of $7,452,763. If this dominion had not desired voluntarily to admit that obligation and had wished to review the matter, the federal government might have made out a pretty good case in favour of the provinces looking after all unemployed. However, the government did not attempt to do so, and very rightly and wisely so, but they said: We will make the returned men our special responsibilities and the sum I have mentioned has been paid out in that connection.

The Pension Act was passed, I believe, in 1916, and the federal government has paid out in pensions the sum of $452,225,122. Every pensioner is a resident of some province as well as being a resident of the dominion and that money flows into the provinces from the federal treasury. I ask the Minister of Railways and Canals (Mr. Manion) why this government at the present time should be considering grants in aid for the provinces for any purpose when they have bills of this kind which they are unable to meet out of the very heavy taxes which are being raised at the present time?

Mr. MANION: That action was taken because some of my right hon. friend's supporters brought it up this afternoon.

Mr. MACKENZIE KING: I am speaking of the pledges which hon. members opposite made and which they are beginning to endeavour to redeem. Another experiment was made in the way of loaning money to the provinces for housing in order to encourage the erection of dwellings. An act was passed in 1920 for that purpose and under that act the sum of $23,500,000 has been loaned to the provinces. Of that amount $10,600,000 is still owing to the federal treasury. Before we grant further aid to the provinces in addition to subsidies we had better secure back the money which we have loaned for provincial purposes. Surely that is a sound principle in financing, and any opposite course cannot but be unsound.

When the Liberal administration came into office we found that we were faced with a heavy debt, that we were unable to balance the budget, that taxes would have to be increased, that economies would have to be practised and we therefore adopted the policy that we would not continue grants in aid to the provinces in addition to subsidies. We decided to continue grants in aid in matters which came under the federal jurisdiction, but not grants in aid to the provinces in addition to the regular subsidies to which they were entitled. We saw quite clearly that once a grant in aid was voted for any length of time to a province it would be very hard to discontinue it. What is done over a period of years becomes in the eyes of the province in the course of time a right for all time thereafter. That being the case we served notice on the provinces a considerable time in advance saying that when the period fixed by the statute expired the grant would not be renewed.

With respect to technical education the total amount of the money provided by the act had not been used at the end of the ten-

year period, and we introduced an act to allow any province which had not taken full advantage of the amount to which it was entitled, still to have that advantage provided it came in under the provisions of the act within, I think it was, the next five years. Care was taken to give the provinces plenty of time to readjust their finances. We remained firm in the position we had taken, in order to save the federal treasury too great a burden.

The Prime Minister (Mr. Bennett) yesterday made what I consider an unfair reference in his speech on the budget when he sought to leave the impression that the large obligation which the country is being faced with at the present time was in part at least a legacy from the previous administration. The previous administration sought to economize on these very matters of which I am speaking, and did economize. In the one thing we are now discussing we put an end to grants in aid to the provinces in addition to subsidies, and by taking that course we have been able to save hon. gentlemen opposite many obligations which they otherwise would have now to meet. It was a difficult stand to take. I think hon. gentlemen in the ministry opposite know enough already of what political pressure can be brought to bear, and what it means to resist demands to spend money out of the public treasury for one particular purpose or another. During the time the Liberal government was in office we steadily resisted that pressure in regard to these matters. The votes which we gave in parliament were not votes against technical education or votes against highways, they were votes in accordance with the principle which I have endeavoured to explain, namely that grants in aid to the provinces in addition to subsidies were not in accordance with the spirit or the intention of the constitution, that they were not a sound way of financing, that they were not justified in the financial crisis with which this country was faced but were only putting an additional load upon the federal government at a time when its load was so heavy that it was impossible to reduce taxation. We stood for this principle throughout our term of office and may I say that when it came to a general election there was every cause, had the first consideration been political rather than national and patriotic, why we might have yielded and said: We will be prepared to renew these grants. We stood firm and I have not the slightest doubt that we are in opposition to-day very largely because of the stand we took. The price to be paid for power is too great, if it means so far as government is concerned, that power has to be purchased by the adoption of principles which are unsound in matters of finance. I would much rather be on this side of the house to-day because of having taken the consistent attitude which we did while in office and throughout the general campaign, an attitude which we intend to continue to take throughout this parliament in the interests of the people of this country, an attitude which will help in the reduction of the public debt and in the reduction of taxation, than be on the other side and faced with having to meet a lot of promises which it is impossible to fulfil.

May I repeat to my hon. friend the Minister of Railways and Canals that there is no inconsistency between the attitude taken by the hon. members whose names he has mentioned with respect to the votes which they gave while the late government was in office, and their assertions to-day. In the course of the recent elections the Prime Minister and his supporters—I believe my hon. friend was one of the most vigorous of his associates—pledged to the people of this country that if they were returned to power they would construct a national transcontinental highway. That was a matter of policy of the hon. gentlemen opposite; it appeared in the Conservative platform and was mentioned in innumerable speeches made by those who are to-day in the ministry. We understood at the time that pledge was made, and I think the country also understood, that what was contemplated was a federal highway which would be administered by the federal administration and not another grant in aid to the provinces; it was to be a federal highway which would be constructed and maintained by the federal administration. If the federal government is to go into the highway business, I submit that that is the only basis upon which it should act. A national highway should be looked upon in the same light as a national railway, a link between the different provinces of the country, another form of transportation in addition to railways, air service and the like, a national service carried out by the federal government in a national way, so that the moneys that are spent on that national highway will have to be raised by the government that is administering the highway and receiving credit for so doing. Any other method is simply to increase further these grants in aid in addition to the subsidies that are being given to the provinces. What hon. gentlemen inquired about this afternoon, what the country still wishes to know and what it has not yet been told by my hon. friend or any other hon. gentleman opposite, is whether the gov-

ernment of Canada intends to implement that pledge with respect to a national highway or not. There was no reference to it in the budget speech of yesterday, and no speech has been made on the other side which would appear to countenance that project as a federal undertaking. The question which the electors are asking themselves to-day is this: Is the pledge of a trans-Canada highway which was made so vigorously throughout the campaign and which played such an important part in its result, to be carried out?

I confess I would be much more ready to forgive honourable gentlemen opposite for not carrying out a few of their pledges than I would be to commend them for endeavouring to do so under present conditions. The budget brought down yesterday must surely give occasion to pause on the part of those who to-day are administering the affairs of the country. The Prime Minister says that he is hopeful that he may raise revenues sufficient to balance the budget. I doubt very much whether he is even hopeful; I think his words were more than guarded in that connection. Indeed, I think in what he said he left it pretty plain that there was a grave doubt whether the revenues of this year would by a long way equal the expenditures of this year. In these circumstances I would say to the government that I believe the people of Canada will thank them if for a time they will now remember that they are no longer in the thick of a general election but that they are in their first year of office and may be continuing there for some little time, and if they will devote their time and attention to seeing how they can save money for the federal treasury rather than to devising means whereby they can expend it, especially where the expenditure is on something which lies altogether outside the jurisdiction of the federal parliament. That is the position of the opposition in regard to these matters, and it is the position which we intend to continue steadily to take during the time we are here. We take it because we believe, in so doing, we are taking the stand which the people of Canada wish to have taken at this time.

We are not opposed to technical education; we want to see technical education promoted, but we believe that vocational education is primarily the business of the provinces. There are, as the Minister of Justice (Mr. Guthrie) said the other day, other forms of technical education in the nature of scientific investigation and the like, which we believe fall under federal jurisdiction, and when I come to speak on the measure I think I shall be able to point out to my honourable friend where this parliament appropriated $3,000,000 for scientific research buildings and equipment in this very year and last year combined, and is appropriating $500,000 annually on scientific investigation conducted solely by the national research council, to say nothing of what the government is doing departmentally in other ways. It will be found that we are doing our part at the present time with respect to technical education. So I repeat that we are not opposed to technical education, but we believe that the provinces should do their part and raise for vocational education the money that is necessary for it, and that we should do our part and raise the money necessary therefor.

We are not opposed to highways, or at the proper time to a national highway scheme. We are opposed to giving grants in aid in addition to their regular subsidies to the various provinces for highway purposes. If the government opposite undertakes as a part of their policy a national highway project, federally administered they will find our attitude different from what I have expressed it to be in regard to grants in aid to the provinces. But they must assume it as a federal obligation from first to last. Similarly with regard to old age pensions, we are not opposed to old age pensions; we believe old age pensions should be a part of the social insurance scheme of this country. But we think it should be a national scheme; it should be administered nationally, 100 per cent of the money raised and the entire scheme administered by the federal government. We say that the present government ought immediately to take steps to have the British North America Act amended so as to make possible federal administration so that when the time comes to pay the old age pensions 100 per cent, we shall not be met with any constitutional obstacle to the administration of the scheme in its entirety by the federal government. Similarly with regard to other matters, agricultural instruction and the like, it must not be said that we are opposed to those things. All we are opposed to is to departing in any particular from the spirit of the constitution and embarking on a course which may lead us any lengths in the direction of extravagance, of debt, of increased taxation, but which will certainly not lead to an improvement of conditions in this country at a time when improvement is so greatly required.

Mr. PETTIT: May I ask the right hon. gentleman a question? I do not ask many questions in the house. In regard to old age pensions, did he not say—and it is my clear recollection he did so, and Hansard records it —that it was unconstitutional for parliament

to grant old age pensions to the extent of 100 per cent; that the provinces must of necessity, by reason of that fact, contribute to old age pensions? Did he not say that in opposition to speeches of members on this side who were then on the other side of the house?

Mr. MACKENZIE KING: I am glad my hon. friend has raised the question because it indicates that apparently even yet I have not made clear, to him at all events, exactly my position as it is now and as it always has been on that question. As my hon. friend has just said, I did make the statement that it was not constitutional for the dominion government, under the British North America Act as it now stands, to administer an old age pension scheme 100 per cent.

Mr. PETTIT: The right hon. member now says they should.

Mr. MACKENZIE KING: Exactly, I say they should; I say the British North America Act should be amended so as to make it possible for the federal government to undertake the administration of that scheme. When the scheme was being launched and it was uncertain how many provinces were likely to take advantage of an old age pension scheme, there was some justification, not on grounds of sound financing, but on grounds of moving forward a stage or two a much needed measure of social reform, for the federal government making a contribution to the provinces to enable them to begin doing something which they alone individually could do but which we believed to be in the national interest to have done in a general way. But now that most of the provinces of Canada have made it apparent that they believe in old age pensions; now that the amount that is being contributed by the dominion to the provinces is to be no longer 50 per cent, but 75 per cent of the total outlay, we say that the time has come when the federal parliament should seek to have the British North America Act amended so as to make it quite clear that it will be within the jurisdiction of this parliament to administer an old age pension act, and that hon. gentlemen should proceed to fulfil their promise, if they intend to fulfil it, with the obligation upon themselves of not only raising what is necessary in the way of revenue for the purpose, but also doing what is necessary by way of administration and control of the expenditure of moneys which they themselves have raised.

Mr. PETTIT: May I ask just one more question? The right hon. gentleman stated that the provinces did not contribute one cent to the national exchequer. Does he not admit that the provinces throughout the dominion contribute very materially to the national exchequer in proportion to their population in connection with the importations of goods and the duty paid on them?

Mr. MACKENZIE KING: When I speak about the provinces contributing, I am speaking of the treasuries of the provinces making contributions to the federal treasury as against the federal treasury making contributions to the treasuries of the provinces. My hon. friend has spoken about goods imported and what is paid in customs duties. Prior to this year quite a large sum of money has been raised in that way, but I am afraid after this new budget goes into effect there will not be very much money raised out of customs revenues, and therefore anything that comes from the provinces, even in regard to what my hon. friend has in mind, will be very small. The very thing which he has in mind, however, was the reason why the fathers of confederation undertook to give from the federal treasury a subsidy to the provinces. When confederation was formed, there were those who wished to allow the provinces to continue to raise revenues by tariffs. It was agreed a dominion could never be formed on that basis. The provinces were unwilling to raise all their taxation by direct taxes, and a compromise was reached whereby whatever revenues they were to raise were to be raised by direct taxation, but that they would receive by way of adjustment a certain subsidy upon a per capita basis which would tend to equalize arrangements as between the different provinces. They were to get this particular sum by giving up their right to raise taxes by indirect taxation, and the very subsidies that we are paying the provinces to-day are being given to them for that very reason.

Hon. CHARLES STEWART (West Edmonton): I rise briefly to state my position in connection with the matter of grants to provinces. I am opposed for reasons other than those given to-night. I believe that federal grants to the provinces constitute a direct interference with the prerogatives of the provinces and frequently lead to expenditures which they otherwise would not contemplate. I speak in the light of experience. I can remember that some years ago grants were made in aid of highways to create employment for returned men, constituting a direct obligation upon the federal government. I am not offering a complaint except to say that considering the state in which the province of Alberta was at that time, and the fact that the federal treasury supplied

40 per cent, 60 per cent having to be supplied by the provincial government, the province was forced to build a road that was not warranted at our stage of development. I for one did not accept that grant, but after I came to Ottawa the money was spent by the provincial government at a later stage in the development of the province. I say that the principle is wrong. Education is a matter within the control of the provinces and I do not think the federal government should interfere with matters of education within the provinces. Highways are directly under control of the provincial governments, and to my mind the federal government should not step into these fields and, as I have pointed out, frequently involve the provinces in expenditures that they are not in a position to meet. We ought to hold to the fields of responsibility which were designed for us. I am thoroughly in accord with the view of my leader that if we are to take over some of the responsibilities of the provinces we should take them over in their entirety, administer them, use the revenue and pay everything. Any such proposal, however, should be very carefully considered before definite action is taken.

Another vicious principle has been adopted by various parties requiring public support. They try to outdo each other in order to gain public support by offering baits to the provinces to secure the necessary votes to place them in office. That is my chief complaint in respect to this matter. If the taking over of the old age pensions is a responsibility of the federal government, all well and good. I believe that the present government have stated that they intend to pay practically 100 per cent of old age pensions. Undoubtedly this government cannot continuously pass to the provinces this money for expenditure when they intend to meet practically to the extent of 100 per cent the cost of old age pensions. In connection with the building of a national highway I think the words of Hon. Mr. Dunning were eminently fair last session when he stated that, in view of the responsibilities which have been saddled upon a federal government with respect to transportation in the operation of canals, railways, air mail services and new services developed throughout Canada, we should wait for a time before embarking upon a national highway system, particularly in view of the fact that the provinces are in receipt of revenues from gasoline taxes which they are applying to highway construction.

I think we would do well, Mr. Speaker, to keep to our own field, and to control every dollar of taxation we raise. If in their wisdom the federal government decide to construct a national highway, then it should take over the project and make some arrangement with the provinces to pay for wear and tear which will develop. I wish to reiterate that the holding out of the prospect of such grants as this, often results in serious embarrassment to the provinces, which may be forced to move faster than they otherwise would. For that reason I think that the principle of making grants without serious consideration is one which should not be continued.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. MACKENZIE KING: I ask permission of the house to place on Hansard in the form of a table the various figures to which I have referred. I think it would be convenient for hon. members to have the table before them. Also may I give the correct figures concerning subsidies to provinces, which I now have:

Subsidies to Provinces

Subsidies 1920-1921 1930-1931	
(1931 estimated)	$140,472,652
Special subsidies to maritime provinces (including 1931)	6,440,000
Total	$146,912,652

Motion (Mr. Guthrie) agreed to and the house went into committee of supply, Mr. MacDonald (Cape Breton South) in the chair.

SUPPLY

DEPARTMENT OF MINES

For investigation of mineral resources and deposits; of the mining and metallurgical industries, and of mineral technology; wages, expenses of testing and research laboratories, investigations by Dominion Fuel Board, including salaries and all other expenses, $300,000.

For publications, English and French, purchase of books, laboratory supplies, instruments, miscellaneous assistance and contingencies, $50,000.

To compensate J. H. Fortune for quarters, fuel, light and water supplied him as resident caretaker of the Mines branch building, Sussex street, vacated because of the necessity of utilizing the caretaker's quarters for storage and laboratory space, $100.—Total, $350,100.

Mr. COOTE: I should like to know where the work involved in this item is carried on.

Hon. W. A. GORDON (Minister of Mines): This is to provide for work carried on by the Mines branch in the city of Ottawa. They carry on very wide investigations into mining in all its branches. In fact from my experience I very much doubt if there are any better equipped laboratories of their size on

the continent for the investigation of mineral resources, ore dressing and metallurgical research work. The services of the mines branch are available in an advisory capacity for mining in all its various branches. For instance, if a mining company becomes involved in some metallurgical trouble that they cannot solve, they frequently ask the assistance of the mines branch. The branch provides as well a very extensive service for prospectors in analyses and identification of ores. Their work is quite broad in its scope and very useful to the mining industry.

Mr. COOTE: Do the officials of the mines branch go to different parts of Canada to investigate mineral resources, or is the work all done here in Ottawa?

Mr. GORDON: From time to time officers from the mines branch go into the field in order to keep themselves posted upon various matters of mining technology; of course, they must be very careful not to lend themselves to sealing with approval any mining proposition; but they do spend a certain portion of the year going from place to place in Canada, and sometimes out of Canada, in order to keep their research work up to date.

Mr. COOTE: Could the minister give the committee a rough idea of the amount which is spent on that kind of investigational work? Is it done to any considerable extent?

Mr. GORDON: The expense of the work in the field has never been separately set out in the books of the department, but I am told that in travelling expenses of the various technical men about $10,000 may be spent in a year. These are the divisions of the mines branch: mineral resources; ore dressing and metallurgy; fuel and fuel testing; ceramics and road materials; the mechanical section; and the Dominion Fuel Board. Of course as occasion requires the work does take the staff into various parts of the country I am sorry I cannot give the hon. member a definite statement as to what money is actually spent in the field.

Mr. COOTE: I think the department was doing some experimental work in connection with the deposits of bituminous tar sand in the north country. Would that come under this particular vote? If so, could the minister give us some information about it?

Mr. GORDON: The department has opened up a bituminous sand deposit at MacMurray, and the Alberta government has carried on the separation. The deposit is still under review by the department as to its possible value. It has certain attractive features which I do not think have yet been definitely determined. I am told several reports have been published by the department on the work already done.

Mr. COOTE: Is that work still being carried on by the dominion? I think the department did have an officer spend a good deal of his time in that area.

Mr. GORDON: We are still carrying on the field work. We have a party there this summer to determine the extent of the deposit and its possible value.

Mr. SPENCER: I understand some very valuable experimental work is being carried on in England in connection with the low temperature carbonization or liquefaction of coal. Has the mines branch done anything along this line?

Mr. GORDON: That work has been under investigation for the past four or five years by the fuel testing division. It is being continued and the results from time to time are available for those interested in the industry. I am told that a number of reports have been made, and that one was recently placed at the disposal of hon. members.

Mr. SPENCER: What success has resulted?

Mr. GORDON: I have not read the recent reports on the work done in connection with fuels and fuel testing, so I regret that I cannot give details of what progress has been made.

Mr. GERSHAW: When the officers of the department do research work or give advice to private individuals or companies, do they make a charge for it?

Mr. GORDON: Where the advice of the department is sought on matters of that character it has not been the custom to charge the industry anything. Charges are made for analyses of various ores submitted. One of the reasons for making such charges is that the department might easily come into competition with private assayers, and it would be unfair to them to do the work gratuitously. But generally speaking where a mining problem such as a refractory ore has to be dealt with, and the mining company finds itself in difficulty as to the method of treatment and seeks advice, the department gives its services without charge.

Mr. COOTE: May I ask whether any work is still being carried on in Ontario in connection with the peat industry, and if so, how much will be spent on it this year? Is it intended to carry on that work any longer?

Mr. GORDON: The investigation in connection with the peat industry covered quite a number of years. If my recollection serves me aright it was started about 1908 or 1909, and the main effort has been at Alfred in the county of Prescott. The work first was carried on under the auspices of the department; then a fuel committee was formed, and the work grew to some pretensions, at least as far as the expense was concerned.

Mr. COOTE: Does the minister know about how much has been spent on it?

Mr. GORDON: Yes; to date there is $352,445.71 charged against it, with certain small credits which may be taken into consideration, amounting to about $25,000 or $30,000, leaving a net expenditure of about $323,000. As the hon. member for Macleod well knows, at the time the peat was being investigated the fuel problem of this country was not a problem of the producer. It was rather a problem of the consumer, and I think in the main that invesetigation into the possibility of peat as a fuel could be justified. Errors may have been made during the course of the years, but at any rate, with the abundance of fuel available in this country at the present time and the difficulty of keeping coal mines working, I seriously question if we will continue the investigation of peat as a fuel for a long time to come. Certainly the government will not pursue the investigation further in Ontario.

Mr. COOTE: It is not the intention to pursue the investigation further this year?

Mr. GORDON: No.

Mr. BRADETTE: I should like to ask the minister if the government of Ontario has asked for any help, or if any help has been given, in the development of the lignite field north of the town of Cochrane, at Blacksmith rapids?

Mr. GORDON: If my hon. friend means cash advances, this government has made none. However, when those lignite fields were discovered and the development started, the department, following the policy which has prevailed for years, made an investigation from the departmental standpoint in order to add to their knowledge of that field. Also, at the request of the Ontario government, they have carried on certain tests of those lignite fields in order to determine the fuel value. I believe the results of those tests were made public, although I am not sure about that.

Mr. NEILL: I should like to ask the minister if he can give us some description or summary of the work carried on last spring at the request of the government of British Columbia. There was an agreement made with the government of British Columbia to test some ten or twelve carloads of the different varieties of coal, and through the kindness of the government of British Columbia I have seen a highly technical report in connection with those tests. However, that report contained nothing of what might be called practical benefit to the ordinary man in the street. The idea was to test this coal to see what kind was best suited to be pulverized, for instance, and what treatment was best calculated to produce the best results with coal from the different mines. This is a matter of great importance to British Columbia, because I believe in this way we will find uses for the abundant coal supply which we cannot sell.

Mr. GORDON: About ten tests were made of different coals at the request of the British Columbia government, under different boiler ratings, and reports of those various tests were sent to the provincial government. I must confess that I struggled with the reports myself, and found them too technical to understand. The tests are being carried on with respect to the coals most suitable for coking purposes, and these tests already have opened up the possibility of finding customers for western coal, particularly in Manitoba.

Mr. NEILL: I do not think there is much need for information with regard to the coking qualities of the coal, because in years gone by we have had practical demonstrations. If I remember correctly there were quite a few coking ovens at Union Bay on Vancouver island, using Vancouver island coal, and there was a coking plant at Fernie in connection with the Crowsnest pass coal mines. If we have the information both with regard to Vancouver island and Fernie, I would suggest that we do not need to conduct further experiments along that line.

I believe we should attempt to demonstrate the possibility of using British Columbia coal in pulverized form. The other day I visited the plant which heats this and a number of other buildings. Last year the Department of Public Works installed a system for using pulverized coal, and I am told that it has

been highly successful, that it is very economical and leaves practically no dust. A report in that connection would be welcomed, with some explanation as to the particular variety of coal best suited to be used in that way and so on. That would encourage its use in British Columbia and other places.

Mr. GORDON: The tests along the lines indicated by the hon. member were made by the Department of Mines at the request of the British Columbia government, but as I said a moment ago the reports are entirely too technical for me. However, the reports are in the hands of the government of British Columbia for transmission to the companies concerned, and in quite a number of instances the reports were very satisfactory, though in some other cases they were not.

Mr. SPEAKMAN: Has any further progress been made in connection with the commercial abstraction of petroleum from the oil shales in northern Alberta, where there are tremendous deposits? This matter has been under examination and experimentation for several years.

Mr. GORDON: I am told an investigation was made into the bituminous sands along the line suggested by my hon. friend, and perhaps he may be confusing the two matters.

Mr. SPEAKMAN: I am not speaking of the tar sands but of the oil shales—the petroleum exposure in the oil shales.

Mr. GORDON: I am told that no investigation has been made.

Mr. HEENAN: In connection with the reported find of radium in the northwest territories, I would impress upon the minister once more the importance of ensuring that the control of these deposits shall remain in Canada. I do not suggest that there has been any indifference or neglect on the part of the government, but it would be indeed a serious situation if, because they were not in a position to carry on the development of this discovery through lack of funds or of assistance from the government, those who are engaged in this work were obliged to seek outside investment, thereby allowing aliens to obtain control of such important deposits. I understand that the Belgian government, when radium was discovered in that country, at once undertook to assist in the development of it as well as financially. This is such a precious metal, and it is so important from the point of view of the sick, that it seems to me we should make every effort to retain in Canada the control of the find which has been made. This is highly important in the interests of our hospitals and of Canadian citizens generally.

Mr. GORDON: Radioactive ores have been found in Canada in a number of places and certain developments have been carried out, in Ontario particularly, and in the northwest territories. The discovery of pitchblends, to which undoubtedly the hon. member refers, was made by prospectors in the northwest territories at Echo bay, after a great many years of unfruitful prospecting. I do not think the hon. gentleman suggests that the fruits of the labour of these prospectors should be taken from them. They are the ones who have discovered the radioactive ores and they are now carrying on their development. The mines branch have analyzed these ores and are watching the development out there with a great deal of interest, and I can assure the cimmittee that if radioactive ores in commercial tonnages are found, of sufficient richness to justify their development, the necessary and proper steps will be taken to safeguard the interests of the Canadian people, at the same time, of course, not dealing unfairly or unjustly with those who have carried on the work of prospecting for so many years.

Mr. COWAN (Port Arthur-Thunder Bay): While we are discussing the vote for the investigation of mineral resources, I would point out to the minister the desirability, from the Canadian standpoint, of developing the iron ore resources of northern Ontario. To my knowledge, some fifteen years ago we had in Canada fifteen or twenty blast furnaces using, to a large extent, Canadian ores. To-day we have, I believe, only three, and during the last year not an ounce of Canadian ore was used in any one of these furnaces. To-day these furnaces import from the United States all the ore which they are using. Last year the importations amounted to 1,000,000 tons of American ore. That cost the Canadian furnaces and the Canadian people the sum of $90,000,000, for that was the value of the ore delivered to the furnaces in Canada. That creates in the first place a very unfavourable balance of trade, because these ores have to be paid for with Canadian money. So much for that side of the picture. The other side of the picture is the fact that in northern Ontario and in other districts in Canada we have unlimited deposits of iron ore. It is true they are not of the same consistency as those found in the American states, but by a method of beneficiation it is felt that they

could be put on the market and used in Canadian furnaces. It is to that phase of the subject that I wish to direct the attention of the minister. A commission was appointed seven years ago, in the year 1923, by the Drury government of Ontario. That commission, headed by Mr. Lloyd Harris, made a report to the effect that we had sufficient ores here and that by proper treatment they could be used; and they suggested that the Ontario government should pay a bounty on the production of those ores of so much a ton on all ores smelted in Canadian furnaces. They suggested, moreover, that, as this work would be of national advantage, the dominion government should contribute one half of the bounty. That legislation remained on the statute books for five years but no action was taken by the dominion government. I believe it was in 1929 that the Ferguson government decided to double the rate so far as the province was concerned, and suggested that the federal parliament should contribute a considerable sum by way of assistance. That offer on the part of Ontario remains open and I suggest to the minister that the mines branch is equipped with a proper personnel for the consideration of methods to be followed for getting this Canadian ore on the market. I wish at this time to bring this question to his attention so that the staff maintained by this government may be put to work. The matter is one of vital concern not only to northern Ontario but to the railways, for they would get the haul; and it is of importnce to labour and generally to the development of our own resources.

Mr. MACKENZIE KING: The minister will observe that this item, which is for about one-third of a million dollars is for scientific and technical research. That, as I understand it, forms a part of what formerly would come under the head of technical education. It is a branch of the work referred to by the Minister of Justice the other day as coming within what would be regarded as work of university grade. I am pointing this out to emphasize what I said a moment ago, that this federal government is doing its part with respect to one aspect at least of scientific and industrial research which is in the nature of technical education; and I trust that if I give the minister my support for this one-third of a million he will, when the time comes, back me up in what I have said in respect to that particular matter.

Mr. STEWART (Edmonton): My hon. friend from Port Arthur-Thunder Bay will find, when investigation is made, that considerable work has been done in connection with the beneficiation of our northern ores. I doubt whether it can be said that the real solution has been found, but I do say to the hon. members that no opportunity has been missed. I shall not have time to go into the matter to-night, but I may say to my hon. friends from Alberta that, in order to avoid overlapping in various activities of government research, the work in connection with the extraction of oil from tar sands and shale has been carried on in that province by arrangement with the national research council. The Deputy Minister of Mines is a member of the board of the national research council and sits in on all discussions relating to questions of research.

Mr. SPEAKMAN: That is my understanding based on the discussion of last year.

Mr. STEWART (Edmonton): My hon. friend has seen the plant set up in the yards of the Alberta and Great Waterways railway where this work was carried on by Professor Clark. The ramifications of the mines branch are many, and when one considers the national research council as well it is pretty difficult to know just what is being done. I appreciate what the hon. minister has said to-night, that he has found a very efficient staff in charge and that the work carried on has been of immense benefit to the mining industry of Canada. On one occasion we voted $10,000 for the purpose of bringing samples from British Columbia, but very little advantage was taken of that vote. That offer was made in order to permit samples being brought here for testing purposes. The mines branch of the federal government has been of great value to the mining industry of Canada, and I agree with the hon. member for Port Arthur (Mr. Cowan) that if a solution can be found for the treatment of Canadian iron ore it would be of immense benefit to Canada. In order to assure him, I will state that I know the hon. gentleman who succeeded me will not miss any chance to assist in this matter of research work.

Mr. GARLAND (Bow River): Did I understand the minister to say a short time ago that no further experimental work is being carried on in connection with peat?

Mr. GORDON: No further experimental work is going on at the present time in connection with peat fuel.

Mr. GARLAND (Bow River): Will the hon. minister explain the item on page 92 of the estimates, peat specialist, $2,820?

Mr. GORDON: That gentleman is a field officer who is carrying on work in the field in connection with the investigation of peat bogs, but he has nothing to do with the technical work. Probably I should have made that distinction when I said that no peat experimentation was being carried on. No technical work in the laboratories or anything of that kind is being done.

Mr. GARLAND (Bow River): What are the duties of this peat specialist?

Mr. GORDON: He investigates peat bogs in order to keep the department advised thereof. While at the present time these sources of fuel may not be called upon or needed, yet I do not think it is desirable that the department should lose sight of the possibilities of the peat bogs; they should be treated as an insurance for the future.

Mr. GARLAND (Bow River): As I understand the minister, this vote of $2,820 is to provide for a peat specialist to keep in touch with the peat bogs. The peat bogs which are commercially feasible are fully known to the department and have been for years, and I cannot for the life of me see the sense of maintaining a specialist just to be sure the bogs do not run away. If no experimental or laboratory work is being carried on in connection with the peat bogs, why keep a man on at $2,820 per year just to keep in touch with the existing bogs? Is he undertaking research work?

Mr. CHAPLIN: What other expenses are there in connection with this officer?

Mr. GORDON: There is a small amount which is absorbed in the geological surveys branch for expenses. Outside of the use of peat for fuel there is a possibility of its being used for other purposes. The litter and humus from the Alfred bog has a fairly ready market. I believe the retention of this officer is justified.

Mr. GARLAND (Bow River): I wish the minister would justify it to me. Perhaps he can give the committee the net income derived as a result of the disposition of litter and humus? If we are spending $2,820 per year we should receive some value for it.

Mr. GORDON: I am told that the total income from the sale of these products would probably pay the salary of the peat specialist and leave a little over.

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

Mr. GORDON: I have not the figures before me.

Mr. GARLAND (Bow River): That is the trouble; I doubt very much whether the net income from the sale of litter and other products would pay this man's salary. If he is rendering any useful service I am only too anxious that his salary be continued. I should not like to see him dropped from the service; possibly he could be engaged in some other research capacity, but when no experimental work is being carried on we should not retain a man simply to keep in touch with the existing peat bogs.

Mr. GORDON: Mr. Speaker, as it is eleven o'clock I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Mr. Speaker, will the hon. gentleman who is leading the house (Mr. Guthrie) advise whether it is the intention of the government to follow the practice of former years, that of having the debate on the budget take precedence over all other business except questions, notices of motion for the production of papers, and the introduction of bills? The Prime Minister (Mr. Bennett) did not make any mention of this procedure, but I assume that was an oversight on his part and that the practice of former years will be followed.

Mr. GUTHRIE: I assume that the former practice will be followed, but I should not like to make a definite statement in that regard. The Prime Minister will be here at the opening of the house on Thursday and probably will announce that such will be the case.

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

END OF VOLUME II